

*United States Court of Appeals
for the Second Circuit*



**APPELLEE'S
APPENDIX**

Docket No. **76-1232**

In The
United States Court of Appeals
For the Second Circuit

UNITED STATES OF AMERICA,

Appellee,

— *against* —

W. BALDWIN DROMS,

Appellant.

Appeal From The United States District Court For The
Northern District of New York

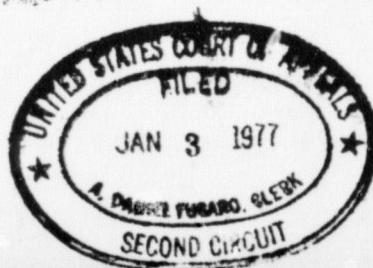
APPENDIX FOR APPELLEE

PAUL V. FRENCH
United States Attorney for
Northern District of New York
U.S. Post Office & Court House
Albany, New York 12207
(*Attorney for Appellee*)

Daily Record Corporation
Rochester, New York

(8564)

Spaulding Law Printing
Syracuse, New York



PAGINATION AS IN ORIGINAL COPY

TABLE OF CONTENTS FOR APPENDIX

	Page
Indictment	1
Appellant's Notice of Motion	3
Affidavit of Thomas E. DeLorenzo, Esq.	6
Demand for Bill of Particulars	11
Affidavit of Thomas P. O'Sullivan in Response and Opposition to Defendant's Motions for Dismissal of Indictment; a Bill of Particulars and Discovery	13
Attachment A – Bill of Particulars	18
Government Exhibits:	
1. Taxpayer Delinquent Account	22
2. Offer in Compromise with Documents attached, dated 8-29-68	24
3. Offer in Compromise with Documents attached, dated 5-14-69	34
4. Tax Return Form 1040	45
5. Tax Return Form 1120	51
6. Tax Return Form 1120	57
7. Tax Return Form 1120	64
8. Tax Return Form 1120	71
12. Stock Certificate No. 1	77
13. Stock Certificate No. 2	79
14. Stock Certificate No. 3	81
15. Record of Payments on Business	83
16. Resolutions of Corporation	88
21. Comparison of Expenses	90
22. List of Assets	91
23. Record of Payments	92
24. Record of Comparison	93
26. Letter, dated 4-25-69	96
Defendant's Exhibit:	
E. Agreement	97
Clerk of District Court Minutes	99

INDICTMENT

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

BEST COPY AVAILABLE

UNITED STATES OF AMERICA

vs.

Cr. No. 75-CR-57

W. BALDWIN DRUMS

(VIO: Title 26,
U.S.C., Section 7231(1))

COUNT I

THE GRAND JURY CHARGES:

That on or about the 26th day of April, 1969, in the State and Northern District of New York, W. BALDWIN DRUMS, the defendant herein, a resident of Scotia, New York, did wilfully and knowingly make and subscribe a Statement of Financial Condition and Other Information - Form 433, which was verified by a written declaration that it was made under the penalties of perjury and was filed with the Internal Revenue Service, which said Statement of Financial Condition and Other Information - Form 433 the defendant herein, W. BALDWIN DRUMS, did not believe to be true and correct as to every material matter in that the said Statement of Financial Condition and Other Information - Form 433 was false as to the following material matters in that it represented that:

The gross income of W. BALDWIN DRUMS, the defendant herein, for the 1968 tax year was \$6,600.00, and further represented that:

W. BALDWIN DRUMS, the defendant herein, did not dispose of an asset which at the time of disposition had a cost in excess of \$500.00, for less than the full value of such asset, during the time period contemplated by the said Statement

INDICTMENT

of Financial Condition and Other Information - Form 433
and the accompanying Offer In Compromise - Form 656, whereas,
as W. BALDWIN DROMS, the defendant herein, then and there
well knew and believed, that:

He had received substantial income in addition to
the \$6,600.00 heretofore stated, and whereas, as W. BALDWIN
DROMS, the defendant herein, then and there well knew and
believed that:

Within the said period of time contemplated by the
said Statement of Financial Condition and Other Information -
Form 433 and the accompanying Offer In Compromise - Form 656,
he, W. BALDWIN DROMS, the defendant herein, had in fact
acquired an asset, to wit, the corporation known as Prestige
Realty of the Capital District Corporation, on or about
November 1, 1968, at a cost of \$10,000.00 and immediately
thereafter on or about November 2, 1968, he disposed of said
asset, which at the time of disposition had a value in excess
of \$500.00, by transferring all title to said asset to another
for less than full value.

In violation of Section 7206(1), Internal Revenue Code;
Title 26, United States Code, Section 7206(1).

A TRUE BILL

FORJAN

United States Attorney

APPELLANT'S NOTICE OF MOTION.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

vs.

Cr. No. 75-CR-47

W. BALDWIN DROMS

SIR:

PLEASE TAKE NOTICE that upon the indictment of the above-entitled action, Numbered 75-CR-47, upon the annexed affidavit of Thomas E. DiLorenzo, Esq., one of the attorneys for the defendant, W. Baldwin Droms, and upon all prior papers and proceedings had herein, the undersigned will move this Court at a Term for Criminal Motions to be held on the _____ day of _____, 1975, at the Federal District Court House in the City of Albany, New York, at _____ o'clock in the _____ noon of that day, or as soon thereafter as counsel may be heard for an Order:

1. Dismissing the indictment as against defendant, W. Baldwin Droms;
2. Granting defendant, W. Baldwin Droms, a Bill of Particulars pursuant to Rule 7(f), of the Federal Rules of Criminal Procedure;
3. Permitting the defendant, W. Baldwin Droms, to inspect and copy or photograph any written or recorded statements or confessions made by defendant, W. Baldwin Droms, pursuant to Rule 16(a), Federal Rules of Criminal Procedure;
4. Permitting the defendant, W. Baldwin Droms, to inspect and copy or photograph any books, papers and documents executed by the defendant or pertaining to the defendant and executed by others which are within the possession, custody or control of the Government pursuant to Rule 16(b), Federal Rules of Criminal Procedure;

APPELLANT'S NOTICE OF MOTION.

5. Granting to defendant, W. Baldwin Droms, any and all information exculpatory or relevant to the preparation of his defense in the possession or under the control of the Government;
6. The statements of all persons who have been interviewed by an agent of the United States in connection with the subject matter of this case and whom the Government does not presently intend to call at trial;
7. The memoranda or summaries of any oral statement made to an agent of the United States by any person in connection with the subject matter of this case whether or not
 - (a). The statement is in writing, has been signed or approved by the witness,
 - (b). The statement relates to the proposed subject matter of the direct testimony of the witness at trial;
8. The stenographic recording or transcription of any oral statement made by any person to an agent of the United States in connection with the subject matter of this case;
9. The statement of persons or memoranda or recordings or any oral statement of any person, whether or not made to an agent of the United States, if said statement is involved with the subject matter of this case;
10. The names and addresses of all persons who have some knowledge of the facts of the present case;
11. A summary reflecting the criminal records of all persons the United States intends to call at trial;
12. All Reports and memoranda prepared on behalf of the United States or otherwise in connection with the investigation of this case,

APPELLENTS NOTICE OF MOTION.

also any and all F.B.I. reports or findings;

13. A copy of the recorded testimony of every witness who testified before the Grand Jury which handed up the indictment in this matter, and if said testimony was not stenographically recorded or transcribed, a statement of the general content of the testimony before said Grand Jury;

14. Granting to the defendant, W. Baldwin Droms, continuing discovery pursuant to Rule 16(g), Federal Rules of Criminal Procedure;

15. Ordering a Pre-Trial Conference of this matter pursuant to Rule 17.1, Federal Rules of Criminal Procedure, and for such other, further and different relief as to the Court may seem just and proper.

DATED:
May 14, 1975

PARISI, DE LORENZO, GORDON & PASQUARIELLO
Attorneys for Defendant
Office & P.O. Address
201 Nott Terrace
Schenectady, New York 12307

TO: JAMES M. SULLIVAN, JR., ESQ.
United States Attorney
Northern District of New York
U. S. Court House & Post Office
Albany, New York 12207

AFFIDAVIT OF THOMAS E. DeLORENZO, ESQ.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

-against-

Indictment No. 75-CR-47

W. BALDWIN DROMS

Thomas E. DeLorenzo, Esq., being duly sworn, deposes and says:

1. That he is an attorney at law duly admitted to practice before the Courts of the State of New York and the Federal Courts contained therein, and is a member of the law firm of Parisi, DeLorenzo, Gordon & Pasquariello, 201 Nott Terrace, Schenectady, New York.

2. That your deponent is one of the attorneys for the defendant, W. Baldwin Droms, in the above entitled criminal action, and is fully familiar with all the facts and circumstances that pertain to said indictment.

3. That upon a full review of all the circumstances that contribute to the charge contained in count one of the subject indictment, it is difficult to perceive why the defendant was charged as set forth in the indictment; that a review of the Statement of Financial Condition and other Information - Form 433 and the Offer in Compromise - Form 656, along with the defendant's income tax forms for the year in question, reveals that the figures entered and sworn to on Form 433 were entered by inadvertance and mistake and not willfully and knowingly as is set forth in the charge; that it is difficult to perceive why the defendant would report and pay \$1,469.00 income tax with six exemptions on a total gross income of \$6,600.00.

AFFIDAVIT OF THOMAS E. DeLORENZO, ESQ.

4. That it is evident that the defendant's income listed on Form 433 and Form 656 was solely the amount reported at number "5" of the defendant's Federal Income Tax Form 1040; it is difficult to believe that the entry of the \$6,600.00 figure could be anything more than an oversight on the part of the defendant or the individual preparers of the defendant's Form 1040, Form 433 and Form 656.

5. That for the foregoing reason, the subject indictment should be dismissed.

6. That pursuant to Rule 7(f), Federal Rules of Criminal Procedure, and upon the annexed demand of the defendant, W. Baldwin Drems, the Court should grant to the defendant a Bill of Particulars; that a Bill of Particulars is needed to further enlarge and clarify the subject indictment, which is very briefly stated; that the items requested do not require the prosecution to divulge any evidentiary details; that there are numerous case authorities which would indicate that the filing of a Bill of Particulars is required in this instance (see, for example, U.S. v. Genstil, 205 F. Supp. 604; U.S. v. Pelle, 122 F. Supp. 423; U.S. v. Anderson, 254 F. Supp. 177; U.S. v. Rosenfeld, 264 F. Supp. 740).

7. That Rule 16(a), Federal Rules of Criminal Procedure, requires the disclosure of any written or recorded statements or confessions made by the defendant so long as said statements are relevant to the charge in issue; that any statements obtained from the defendant, relating to the charge, would of necessity be relevant; that any conversations with any employees of the Internal Revenue Service that were memorialized in any way, including notes, minutes, recorded or written statements,

AFFIDAVIT OF THOMAS E. DeLORENZO, ESQ.

would of necessity be required to be disclosed (U.S. v. Kageyama, 252 F. Supp. 284); that further, the summaries of any statements made by the defendant are discoverable even in the event that said statement became a part of a report issued by the Internal Revenue Service to the United States Attorney (U.S. v. Garrett, 305 F. Supp. 267).

8. That pursuant to Rule 16(b), Federal Rules of Criminal Procedure, the defendant is entitled to discovery of any and all papers, documents and books that are necessary and material to the preparation of his defense; that included within the scope of this subdivision would be any documents executed by the defendant which are in the custody and control of the prosecution; these items would consist of, but not be limited to, the subject Forms 433, 656 and 1040; also within the purview of this subdivision, and the case law interpreting its direction, would be any books, papers and documents that were executed by persons other than the defendant that relate to the affairs of the defendant as they pertain to the subject indictment; that any documents received from others, including government witnesses, would fall within the purview of this provision (see, for example, U.S. v. Fancher, 195 F. Supp. 441, U.S. v. Bannethum, 21 F.R.D. 227) .

9. Following the landmark decision in Brady v. Maryland, 373 U.S. 83, the Courts have broadly construed its mandate; that any exculpatory information that would be material to the defendant's defense, and necessary thereto, is generally ordered produced by the prosecution; furthermore, this mandate has also been extended to include the ordering of the names and addresses of witnesses that would aid in the defendant's

AFFIDAVIT OF THOMAS E. DeLCRENZO, ESQ.

defense or be able to testify to exculpatory matters (U.S. v. Quinn, 364 F. Supp. 432).

10. The statements of any persons interviewed by the prosecution, that relate to the defense of the charge contained herein, which persons are not to be called as government witnesses at the trial of the subject indictment, are a proper subject of discovery; that the statements of persons not to be called at trial are not encompassed within Rule 16(b) and said statements may be discovered as ordered under the inherent discretion of the Court (see, for example, U.S. v. Marshak, 364 F. Supp. 1005).

11. That although the information requested in item "7" of the attached Notice of Motion may more properly be revealed to the defense under 18 U.S.C. Section 3500, the Court, within its discretion, and relying upon its inherent power to facilitate the just resolution of a criminal matter, may order that said materials, including the Grand Jury testimony of any witnesses, be properly ordered revealed to the defense; further, the request for information at item "8" and "9" in the attached Notice of Motion should be ordered in either the inherent discretion of the Court, or under the principle set forth requesting discovery of statements of persons not to be called as witnesses in a trial of the subject indictment (see, U.S. v. Marshak, supra).

12. The names and addresses of perspective witnesses, or of any persons that have knowledge of the facts of the present case, is a proper element and subject of discovery under Rule 16(b), Federal Rules of Criminal Procedure, in that invariably said names and addresses are material and necessary to an adequate preparation of one's defense.

AFFIDAVIT OF THOMAS E. DeLORENZO, ESQ.

(U.S. v. Barnes 486 F. 2d 776); furthermore, the principle of non-disclosure of witnesses' names and address is defeated by a sufficient showing that said information is material and necessary to the preparation of the defense (U.S. v. Barnett 418 F. 2d 309); contrary to some holdings, the fact that the instant case is not a capital case does not prohibit the Court from ordering the same treatment in a non-capital case; the Court is further justified in ordering discovery of the witnesses' names and addresses, in a case such as this where no harm or coercion would result; the same principle would allow the ordering of the production of the criminal records of proposed witnesses well in advance of trial (U.S. v. Moceri, 359 F. Supp. 431).

13. The information requested at "12" and "13" of the accompanying Notice of Motion may be ordered if the Court is of the opinion that the discovery of said items would facilitate the disposition of the instant indictment; no case authority is needed to show that the Grand Jury testimony which prompted the Grand Jury to haul up the subject indictment, is material and necessary to an adequate defense preparation; likewise, any investigative report prepared by any government agency would be necessary to the adequate preparation of the defense.

WHEREFORE, your deponent respectfully requests that the Court grant the relief requested in the Notice of Motion, attached hereto, and grant such other, further and different relief as to the Court may seem just and proper.

Sworn to before me
this 14th day of
May, 1975.

T.E.D.

Thomas E. DeLorenzo
NOTARY PUBLIC

DEMAND FOR BILL OF PARTICULARS.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

VS.

W. BALDWIN DROMS

C. No. 75-CR-47

SIR:

PLEASE TAKE NOTICE that the defendant, W. Baldwin Droms, herewith demands the following particulars pertaining to the Indictment:

With regard to Count One of the Indictment:

1. In what way the defendant knowingly and wilfully subscribed said Statement of Financial Condition and other Information - Form 133 in a false manner.
2. In what ways the defendant had reason to believe that said information subscribed in such Statement, as referred to above, was not true.
3. Of what value was the asset that is referred to in Paragraph "3" of Count One of the subject Indictment.
4. In what way the defendant, W. Baldwin Droms, knew and believed that he had received income in excess of \$6,600.00 in the subject year.
5. In what manner said asset was disposed of as referred to in Paragraph "5" of the subject Indictment.
6. To whom was said asset transferred as referred to in Paragraph "5" of the subject Indictment.

DEMAND FOR BILL OF PARTICULARS.

7. For what amount was said asset transferred as referred to in Paragraph "5" of the subject Indictment.

DATED: May 14, 1975

Yours, etc.

PARISI, DE LORENZO, GORDON & PASQUARIELLO
Attorneys for Defendant
Office & P. O. Address
201 Nott Terrace
Schenectady, New York 12307

TO: JAMES M. SULLIVAN, JR.
United States Attorney
Northern District of New York
U. S. Court House & Post Office
Albany, New York 12207

AFFIDAVIT OF THOMAS P. O'SULLIVAN IN RESPONSE AND OPPOSITION TO DEFENDANT'S MOTIONS FOR DISMISSAL OF INDICTMENT; A BILL OF PARTICULARS AND DISCOVERY.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

vs.

W. BALWIN DROMS

Cr. No. 75-CP-47

STATE OF NEW YORK) ss:
COUNTY OF ALBANY)

THOMAS P. O'SULLIVAN, being duly sworn, deposes and says:

1. That he is an Assistant United States Attorney for the Northern District of New York and knows the contents of the file in this office as the same pertains to the above.
2. That this affidavit is submitted in response to defendant's Omnibus Motion for dismissal of the Indictment; a bill of particulars; discovery and a pre-trial conference.
3. The response of the United States will be set forth in a manner corresponding to the enumeration given each specific request in the defendant's motion.

RESPONSE

1. Dismissal of the Indictment.

The basis for dismissal of the Indictment is not clear from the supporting affidavit of the defense, which simply alleges that the defendant mistakenly understated his income. That would be a defense to the charge, if proved, but hardly a sufficient reason for dismissal of the Indictment. It should suffice to say that the Grand Jury did not believe that it was an oversight.

The only possible basis for the dismissal of the Indictment raised by the supporting affidavit is the implied allegation that the Indictment was based upon insufficient evidence.

AFFIDAVIT OF THOMAS P. O'SULLIVAN IN RESPONSE AND OPPOSITION TO DEFENDANT'S MOTIONS FOR DISMISSAL OF INDICTMENT; A BILL OF PARTICULARS AND DISCOVERY.

However, Criminal Indictment number 75-CR-47 was regularly returned by the federal Grand Jury, United States District Court for the Northern District of New York on April 23, 1975, and an Indictment regularly returned is presumed to be valid. The burden of overcoming the presumption of validity is on the defendant. United States v. Cohen, 113 F.Supp. 955 (S.D.N.Y. 1953). Unsupported claims as to the sufficiency of the Indictment do not warrant dismissal nor shift the burden of persuasion as to the sufficiency of the Indictment to the prosecution. United States v. Greenbey, 204 F.Supp. 400 (D.C.N.Y., 1962).

Moreover, it should be noted that the Indictment charges that the Statement of Financial Condition and Other Information - Form 433 was false with respect to another material matter and the motion to dismiss is silent with respect to that matter, which by itself would be sufficient basis for Indictment.

It is therefore respectfully submitted that the motion to dismiss the Indictment should be denied.

2. Bill of Particulars.

The Government has substantially complied with the request for a bill of particulars. See Attachment "A".

3. The Government will comply with defendant's request under Item (3).

4. The Government will comply with defendant's request under Item (4) pursuant to Rule 16(b), but requests that the

AFFIDAVIT OF THOMAS P. O'SULLIVAN IN RE
SPONSE AND OPPOSITION TO DEFENDANT'S
MOTIONS FOR DISMISSAL OF INDICTMENT; A BILL
OF PARTICULARS AND DISCOVERY.

Court order the defendant to permit the Government to inspect and copy or photograph any books, papers, and documents which are within the possession, custody and control of the defendant, pursuant to Rule 16(c), to include but not be limited to:

(a) The work papers of the accountant, Anthony DiSorbo, during the time he was the accountant for Prestige Realty of the Capital District Corporation and the accountant for the defendant, which the defendant or his present accountant now possess, which is material to the Government's case in that they are necessary to reconstruct the accountant's method of determining the defendant's income for the year 1968.

(b) The "Payroll Book" of the Prestige Realty of the Capital District Corporation for the years 1967 through 1969, now believed to be in the possession of the defendant or his present accountant, which is material to the Government's case in that it reflects the salary payments made to the defendant.

(c) Any evidence of loans made to the defendant by Martha Spoor, and/or any evidence of contributions made to Prestige Realty of the Capital District Corporation by Martha Spoor, which is material to the Government's case in determining the consideration given for the transfer of the asset.

5. The undersigned affiant asserts that he has reviewed the statements of potential Government witnesses and has concluded that there is no exculpatory material.

6., 7., 8., and 9. The defendant is not entitled to the information requested under Items 6., 7., 8., and 9. Such information is not within the contemplation of discoverable material under Rule 16 of the Federal Rules of Criminal Procedure.

AFFIDAVIT OF THOMAS P. O'SULLIVAN IN RESPONSE AND OPPOSITION TO DEFENDANT'S MOTIONS FOR DISMISSAL OF INDICTMENT; A BILL OF PARTICULARS AND DISCOVERY.

The requests are too broad and vague and compliance would be extremely burdensome. Moreover, there is no showing that such information is material or relevant so as to be necessary to the preparation of the defense. Any material and relevant matters encompassed by the broad scope of the requests would be "Jenks Act" material under 18, U.S.C., 3500 which will be provided at the proper time.

10. The defendant is not entitled to a witness list, but the Government will supply the names and addresses of those persons reflected in the Government's case file who may have some knowledge of the case.

11. It is presently not known who will be called at trial or whether they have a criminal record. However, the Government will request an F.B.I. records check on potential witnesses and make that available to the defense.

12. The material requested under Item (12) is specifically not discoverable under Rule 16 of the Federal Rules of Criminal Procedure.

13. The defendant is not entitled to the Grand Jury testimony. Inspection of the transcript of testimony before the Grand Jury will be granted only after a clear showing of the necessity therefor. United States v. Tane, 29 F.R.D. 131 (D.C.N.Y. 1962). There has been no showing of necessity here. The Grand Jury testimony of witnesses who will testify at trial is provided for under Title 18, U.S.C., Section 3500. The Government, however, will provide the transcript of testimony before the Grand Jury at a reasonable time before trial when it

AFFIDAVIT OF THOMAS P. O'SULLIVAN IN RESPONSE AND OPPOSITION TO DEFENDANT'S MOTIONS FOR DISMISSAL OF INDICTMENT; A BILL OF PARTICULARS AND DISCOVERY.

becomes available to the Government.

14. The Government will provide any discoverable material it subsequently acquires.

15. The Government does not see any need for a pre-trial conference in view of the discovery now being provided by the Government.

Thomas P. O'Sullivan
THOMAS P. O'SULLIVAN

Sworn to before me this
17th day of May, 1975.

Sandra Schillinger Haker
Notary Public

SANDRA SCHILLINGER HAKER
Notary Public, State of New York
Qualified in Putnam County
Commission Expires March 30, 1976

Attachment A - Bill of Particulars
attached to O'Sullivan Affidavit.

BILL OF PARTICULARS

1. The elements of knowingly and wilfully are patently evidentiary in nature, and the prosecution theory with respect to the proof of such elements need not be divulged in a bill of particulars, the purpose of which is to sufficiently identify the offense charged to prevent a possible second prosecution for the same offense, and to sufficiently apprise the defendant of the charge against him in order to prepare his defense. Tinkoff v. United States, 86 F.2d 868 (7th Cir. 1936), cert. denied, 301 U.S. 689, rehearing denied, 301 U.S. 715; United States v. O'Connor, 237 F.2d 466 (2nd Cir. 1956). It is not a function of a bill of particulars to force a disclosure of the Government's evidence in advance of trial. United States v. Kushner, 135 F.2d 668 (2nd Cir. 1943), cert. denied, 320 U.S. 212, rehearing denied, 320 U.S. 808.

The Indictment is precise as to time, place, the specific document falsified, and as to the material matter the defendant knew to be false when he subscribed to the document, so as to exclude the possibility of a second prosecution for the same offense, and is sufficiently precise to apprise the defendant of the charge against him to enable him to prepare a defense and avoid surprise at trial.

However, in the interest of expediting this case for trial, the Government will more specifically set out the charge specified in the Indictment, although it is doubtful that any further specification will add anything to the present knowledge of the defendant.

Attachment A - Bill of Particulars
attached to O'Sullivan Affidavit.

The Government alleges that the defendant knew that his gross income for the year 1968 was substantially in excess of \$6,600. when he supplied that information to the individual who prepared the Statement of Financial Condition and Other Information - Form 433, which he subscribed under the penalties of perjury on or about the 28th day of April, 1969, since he knew from his experience in the previous year, and from his practice of using corporate funds for his personal obligations, that he would be charged with constructive commission income substantially in excess of the salary income which he reported as his only income. Moreover, on the date that he subscribed to the form he knew that his income as reflected on his tax return for the year 1968 was substantially in excess of \$6,600. gross income he reported on Form 433, since he subscribed his tax return Form 1040 on April 15, 1969, just thirteen days prior to subscribing to the Statement of Financial Condition and Other Information on April 28, 1969. In addition and as further proof of knowledge the Government alleges that he deliberately understated his actual disbursements under Item 22B of Form - 433 to conform to the understated gross income he reported on the Statement of Financial Condition and Other Information - Form 433.

The Government further alleges that the defendant knew when he reported to the preparer of the Statement of Financial Condition and Other Information - Form 433 that he had not disposed of an asset with a cost in excess of \$500. for less than full value during the taxable period covered by his offer of compromise, that in fact on or about November 1, 1968, he had acquired the corporation known as Prestige Realty of the Capital District Corporation, at a cost of \$10,000., and that on or about

Attachment A - Bill of Particulars
attached to O'Sullivan Affidavit.

November 2, 1968, he transferred all of the stock he had just acquired in the corporation, i.e., 100% of the corporation's stock to one Martha Spoor, for less than full value. The consideration received by the defendant is best known by the defendant himself, but as best as the Government can determine the transfer was allegedly made in consideration of prior loans made to the defendant by Martha Spoor, the aggregated value of which does not allegedly exceed \$5,000., however, it is not clear what the value of the loans, if any, were in fact.

2. The information requested under Item (2) simply restates the request made under Item (1), and is similarly evidentiary in nature. The response made to Item (1) is therefore a sufficient response to the request under Item (2).

Moreover, the defendant, himself, is in the best position to know his true income and whether or not he disposed of an asset, and as the person who supplied the information reported on the Statement of Financial Condition and Other Information - Form 433 to the preparer of said form he was in the best position to know the truth or falsity of what he reported.

3. The cost of said asset was \$10,000., which is considerably in excess of \$500., and it is sufficient to allege that its value exceeds \$500. Its actual value, as is the actual value of any similar asset is a matter of controversy, but it is sufficient to allege that its value at the time of transfer was at least its cost, which is the value given to it by the defendant.

*Attachment A - Bill of Particulars
attached to O'Sullivan Affidavit.*

- iii -

**4., 5., 6., and 7. Have been sufficiently
responded to under Item (1) of the responses, although they
are matters peculiarly within the knowledge available to the
defendant.**

GOVERNMENT EXHIBIT 1 – Taxpayer Delinquent Account.

Last Date 3242 Date 2364 Date				110% PENALTY	Number 14 654087 10100 <small>Payroll Deduction Part Pmt Agreement PP.</small> <small>Notice of Lien 7/23/68 Lien File #</small> <small>Assessment Date 1st Notice Date Mo. Day Yr Mo. Day Yr</small>																																																				
				BALDWIN DROMS INC 1177 IROQUOIS PATH SCOTIA NY 12302																																																					
12	1401-00 99 7704 7/8/68 4234 "INACTIVE-DIS"																																																								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Cents of Tax</th> <th>Period</th> <th>Mo.</th> <th>Day</th> <th>Yr</th> <th>Debits</th> <th>Credits</th> <th>Mo.</th> <th>Day</th> <th>Yr</th> </tr> </thead> <tbody> <tr> <td>WT</td> <td>65 09</td> <td>3</td> <td>27</td> <td>68P</td> <td>19,247 49</td> <td></td> <td>4</td> <td>4</td> <td>68</td> </tr> <tr> <td></td> <td>66 06</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>4</td> <td>4</td> <td>68</td> </tr> </tbody> </table>				Cents of Tax	Period	Mo.	Day	Yr	Debits	Credits	Mo.	Day	Yr	WT	65 09	3	27	68P	19,247 49		4	4	68		66 06						4	4	68																								
Cents of Tax	Period	Mo.	Day	Yr	Debits	Credits	Mo.	Day	Yr																																																
WT	65 09	3	27	68P	19,247 49		4	4	68																																																
	66 06						4	4	68																																																
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Date</th> <th>Net</th> <th>Payment</th> <th>TDA Balance</th> <th>Interest</th> <th>T-d To</th> <th>T-d To</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>11-21-70</td> <td>8770.00</td> <td>155.00</td> <td>15190.00</td> <td>11/21/70</td> <td>O/c</td> <td>8/1/68</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Moral</td> <td>2/7/69</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Jones</td> <td>4/3/69</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Kowale</td> <td>7/1/69</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>BELARKEY</td> <td>3-30-70</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>Atkinson</td> <td>8/12/70</td> </tr> </tbody> </table>				Date	Net	Payment	TDA Balance	Interest	T-d To	T-d To	Date	11-21-70	8770.00	155.00	15190.00	11/21/70	O/c	8/1/68						Moral	2/7/69						Jones	4/3/69						Kowale	7/1/69						BELARKEY	3-30-70						Atkinson	8/12/70				
Date	Net	Payment	TDA Balance	Interest	T-d To	T-d To	Date																																																		
11-21-70	8770.00	155.00	15190.00	11/21/70	O/c	8/1/68																																																			
					Moral	2/7/69																																																			
					Jones	4/3/69																																																			
					Kowale	7/1/69																																																			
					BELARKEY	3-30-70																																																			
					Atkinson	8/12/70																																																			
<p><i>3-23-71 delinquent - 487.83 18,202.66 2952.00</i></p> <p><i>TDA Matched 4</i></p>																																																									
GOVERNMENT EXHIBIT <i>Rec'd from</i> RECEIVED U.S. Treasury Department—Internal Revenue Service TY 59 (Rev. 10-65) Part 2																																																									
<small>(OVER)</small>																																																									
TAXPAYER DELINQUENT ACCOUNT																																																									

GOVERNMENT EXHIBIT 1 -- Taxpayer Delinquent Account.

		HISTORY SHEET	
Date	Action Taken	Date	Action Taken
3/13/72	Det. D. was sent to project He did not receive yet the C. from S. and he called Dr. B. to ask about the amount of money he will give him and the time		
3/13/72	etc.		
3/14/72	P. Dr. B. called - See comments in dictate		

BEST COPY AVAILABLE

24

GOVERNMENT EXHIBIT 2 - Offer in Compromise with
Documents attached, dated 8-29-68.

127-373

U. S. TREASURY DEPARTMENT - INTERNAL REVENUE SERVICE		To be filed in duplicate with District Director
FORM 656 REV. 7-57	OFFER IN COMPROMISE	
NAME(S) AND ADDRESS OF TAXPAYER(S)		INDICATE WHETHER OFFER IS - (Check applicable box) <input checked="" type="checkbox"/> CASH (Paid in full)
W. Baldwin Droms 1177 Iroquois Path Scotia, New York		SERIAL NUMBER 1400023025001 (Casher's stamp)
TO COMMISSIONER OF INTERNAL REVENUE Through the District Director	DATE August 26, 1968	<input type="checkbox"/> DEFERRED PAYMENT AMOUNT PAID \$200
1. This offer is submitted by the undersigned to compromise a liability resulting from alleged pay on internal revenue liability as follows: See Attached (State specifically the violation of law involved and/or the kind and total amount of unpaid tax, ad valorem penalty and any assessed interest by periods and each period involved) See Attached		
2. The total sum of \$ 200.00 paid in full or payable on the deferred payment basis as follows: (See footnote 1 on reverse)		
RECEIVED 8-26-68		
together with interest at the rate of 6 percent per annum on the deferred payments, if any, from the date the offer is accepted until the respective payments are made in full, is hereby tendered voluntarily with the request that it be accepted in compromise of the above described liability plus any accrued interest on the liability covered by this offer by the taxpayer aforesaid.		
3. In making this offer, as part consideration thereof, the proponent agrees (a) that all payments and other credits heretofore made to the accounts for the period(s) covered by this offer shall be retained by the United States; and (b) that any and all amounts of money to which the proponent may be entitled under the internal revenue laws, due through overpayments of any tax or other liability, including interest and penalties, made for periods ending prior to calendar year in which this offer is accepted, if any, are not in excess of the difference between the liability sought to be compromised and the amount herein offered, shall be retained by the United States. Any such refund received after the filing of this offer will be returned immediately to the office of the District Director.		
4. It is further agreed that upon notice to the proponent of the acceptance of this offer in compromise of the liability aforesaid, the proponent shall have no right to contest in court or otherwise the amount of the liability sought to be compromised; and that in the event this offer is a deferred payment offer and there is a default in payment of any installment, (a) principal or interest due under the terms of the offer, the Commissioner of Internal Revenue (or his delegate), at his option, (a) may proceed immediately by suit to collect the entire unpaid balance of the offer, or (b) may proceed immediately by suit to collect as liquidated damages an amount equal to the liability sought to be compromised, minus any deposits already received under the terms of the offer in compromise, with interest on the unpaid balance at the rate of 6 percent per annum from the date of default, or (c) may disregard the amount of such offer and apply all amounts previously deposited thereunder against the amount of the liability sought to be compromised and may, without further notice of any kind, assess and/or collect by levy or suit the balance of such liability, the right of appeal to the Tax Court of the United States and the restrictions against assessment and/or collection being hereby waived.		
5. The following facts and reasons are submitted as grounds for acceptance of this offer:		
Taxpayer has no assets with which to pay this assessment.		
(If space is insufficient attach supporting statement)		
6. The undersigned proponent waives the benefit of any statute of limitations applicable to the assessment and/or collection of the liability sought to be compromised, and agrees to the suspension of the running of the statutory period of limitations on assessment and/or collection for the period during which this offer is pending, or the period during which any installment remains unpaid, and for 1 year thereafter.		
7. It is understood that this offer will be considered and acted upon in due course and that it does not afford relief from the liability sought to be compromised unless and until it is actually accepted in writing by the Commissioner or his duly authorized representative, and the terms of the offer have been fully complied with.		
Waiver of statutory period of limitations is hereby accepted by the undersigned:		I declare under the penalties of perjury that this offer (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is true and correct.
DISTRICT DIRECTOR OF INTERNAL REVENUE (Enter name) Donald T. Hartley Donald T. Hartley		SIGNATURE(S) OF PROPONENT(S) W. Baldwin Droms
BY (Signature and title) Richard M. Hickey Richard M. Hickey		DATE 8-29-68
Chief Special Procedures		

**GOVERNMENT EXHIBIT 2 - Offer in Compromise with
Documents attached, dated 8-29-68.**

Transcript of Account - To be furnished by District Director							
LIABILITY INCURRED BY (List taxpayers included under same Account No.)		KIND OF LIABILITY (Complete description)					
<i>W. Baldwin Dress 1177 IROQUOIS RD SCOTIA, N.Y.</i>		<i>100% PENALTY-INC & FICK WITHHOLDING F 941 INABILITY TO PAY</i>					
DATE NOTICE OF LIEN FILED		PLACE NOTICE OF LIEN FILED					
<i>See Special Provisions and Part One, which attach.</i>							
WERE ASSETS PLEDGED AS SECURITY (If "Yes," attach complete information)		FOR OFFERS INVOLVING DELINQUENCY PENALTIES ONLY					
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		PERIOD(S) INVOLVED AND DATE(S) RETURN(S) FILED					
RECORD OF ASSESSMENTS AND PAYMENTS							
TAX PERIOD (a)	(1) ACCOUNT NUMBER (2) ASSESSMENT DATE (b)	DEBITED (Enter Codes P - Penalty I - Interest)	CREDITED		PD CR AB	(1) BALANCE DUE (2) DATE OF FIRST NOTICE (c)	
			AMOUNT (d)	DATE (e)		(f)	(g)
<i>SEE ATTACHED DOCUMENTS</i>							
REMARKS							
I certify that the foregoing information regarding the accounts of the taxpayer(s) named above is true and complete for the tax(es) specified and the period(s) stated and that all assessments and payments of tax, penalty and interest, and all abatements, credits, and refunds relating thereto as disclosed by the records of this office are shown herein.							
<small>If this offer is paid in full at the time it is filed with the District Director no entries should be made in this space. If this is a deferred payment offer show in this space (a) the amount deposited at the time of filing this offer (b) any amounts deposited on prior offers, which are applied on this offer (c) the amount of each deferred payment and the date on which each payment is to be made. Amounts payable subsequent to the date of filing of offer including amounts payable upon notice of acceptance constitute deferred payments.</small>				<small>DISTRICT DIRECTOR OF INTERNAL REVENUE (Enter name)</small> <small>BY (Signature and title)</small> <i>Robert L. Helbeck 8/29/68, C.P. Partner, P.R.D.</i>			

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

U. S. Treasury Department Internal Revenue Service ACCOUNT CARD		100% PENALTY 17 APR 4, 1968 23C 45 68 9 65-6 66 BALDWIN DRMS INC 1177 IROQUIS PATH SCOTIA NY 12302	
074 03 1531 14 654087 10100 <small>Document Locator Number</small>		2749	944
REF AND DATE	DEBIT	CREDIT	BALANCE
MAR 27'68P	19,247.49		19,247.49*
<small>(Continue postings on reverse)</small>			

TY 52 REV 7-65 PART 1

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

FORM 433 <small>(REV. 5-15-63)</small>		U. S. TREASURY DEPARTMENT - INTERNAL REVENUE SERVICE STATEMENT OF FINANCIAL CONDITION AND OTHER INFORMATION <small>(To be filed in duplicate with offer in compromise)</small>		
<p>Submit information requested herein with your offer in compromise, if offer is based wholly or partly on inability to pay the liability. Assistance in preparation of the statement may be secured from a representative of the Office of the District Director of Internal Revenue or your tax advisor. It is important that all applicable questions be answered fully. The careful filling out of this form will expedite the consideration of your offer.</p>				
1A. NAME OF TAXPAYER W. Baldwin Droms		1B. SOC. SEC. NO. 074-03-1531	2A. NAME OF REPRESENTATIVE, IF ANY Louis Lombardi & Daniel Ertel	
1C. BUSINESS ADDRESS 1011 State St., Schenectady, N. Y.		1D. BUS. TEL. -	2B. ADDRESS AND TELEPHONE NUMBER 34 Jay Street Schenectady, N. Y. 512-3383	
1E. HOME ADDRESS 1177 Iroquois Path, Scotia, N. Y.		1F. HOME TEL. 399-1166		
3. If proponent is not taxpayer				
3A. NAME OF PROPOVENT		3B. ADDRESS OF PROPOVENT	3C. RELATIONSHIP TO TAXPAYER <small>(partner, president, father, etc.)</small>	
4A.	4B.	4C.	4D.	4E.
4F. CLASS OF TAX	TAXABLE PERIOD	AMOUNT OFFERED	UNPAID LIABILITY	
5A.	5B.	5C.	5D. Due and unpaid federal taxes (Except those covered by this offer in compromise)	
5E. CLASS OF TAX	TAXABLE PERIOD	UNPAID LIABILITY		
6A.	6B.	6C. List names of banks and other financial institutions you have done business with at any time during past 3 years.		
NAME AND ADDRESS		NAME AND ADDRESS		
6D. Mohawk National		6E. State Street, Schenectady, N. Y.		
6F. Schenectady Trust		6G. State Street, Schenectady, N. Y.		
6H. DO YOU RENT A SAFETY DEPOSIT BOX IN YOUR NAME OR IN ANY OTHER NAME? (If "yes" give name and address of bank)				
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
7. If income withholding or employment tax involved, complete 7a thru 7f inclusive				
7A. WERE THE EMPLOYEES' INCOME WITHHOLDING OR EMPLOYMENT TAXES (due from employees on wages received by them with respect to employment) DEDUCTED OR WITHHELD FROM THE WAGES PAID DURING ANY PERIOD MENTIONED ABOVE?				
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO				
7B. IF SO, WAS SUCH TAX PAID TO THE DISTRICT DIRECTOR OF INTERNAL REVENUE?		7C. IF DEDUCTED BUT NOT PAID OVER, WHAT DISPOSITION WAS MADE OF THE AMOUNTS DEDUCTED?		
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		Used to pay Business obligations		
7D. HAS BUSINESS IN WHICH YOU INCURRED SUCH TAXES BEEN DISCONTINUED? Yes		7E. IF DISCONTINUED, WHEN? (Date) 1966		
7F. WHAT DISPOSITION WAS MADE OF ASSETS OF DISCONTINUED BUSINESS?				
Creditors				
8. Offer filed by individual				
8A. NAME OF SPOUSE Margaret D. Droms		8B. AGE OF SPOUSE 45	8C. AGE OF TAXPAYER 51	
8D. DEPENDENT CHILDREN OR RELATIVES		NAME	RELATIONSHIP	AGE
(1) Warren David		Son	20	
(2) Sharlene		Daughter	17	
(3) Jeffrey		Son	10	
(4) Stephanie		Daughter	8	
(5)				
(6)				
(7)				

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

Furnish your most recent financial statement setting forth in separate columns the cost, fair market value, and estimated forced sale value of each asset. List all assets directly or indirectly owned and disclose all interests in estates, trusts, and other property rights, including contingent interests and remainders.

9. Statement of assets and liabilities		STATEMENT IS AS OF (Date)		
SA. ASSETS		COST *	FAIR MARKET VALUE	FORCED SALE VALUE
(1) CASH		\$ -0-	\$ -0-	\$ -0-
(2) CASH SURRENDER VALUE OF INSURANCE (See item 10)		-0-	-0-	-0-
(3) ACCOUNTS RECEIVABLE (See item 12A)		-0-	-0-	-0-
(4) NOTES RECEIVABLE (See item 12B)		-0-	-0-	-0-
(5) MERCHANDISE INVENTORY (See item 13)		-0-	-0-	-0-
(6) REAL ESTATE (See item 14)		20,000	26,000	25,000
(7) FURNITURE AND FIXTURES (See item 15)		4,000	3,000	500
(8) MACHINERY AND EQUIPMENT (See item 15)		-0-	-0-	-0-
(9) TRUCKS AND DELIVERY EQUIPMENT (See item 16)		-0-	-0-	-0-
(10) AUTOMOBILES (See item 16)		-0-	-0-	-0-
(11) SECURITIES (See item 17)		-0-	-0-	-0-
(12)				
(13)				
(14)				
(15)				
(16)				
(17)				
(18)				
(19)				
(20)				
(21)				
(22)				
(23)				
(24)				
(25)				
(26)				
(27)	Total assets	\$	\$	\$
SB. LIABILITIES		AMOUNT		
(1) LOANS OR INSURANCE (See items 10 & 11)		\$ 25,000		
(2) ACCOUNTS PAYABLE		-0-		
(3) NOTES PAYABLE		2,000		
(4) MORTGAGES (See item 14)		22,000		
(5) ACCRUED REAL ESTATE TAXES (See item 14)		1,000		
(6) JUDGMENTS (See item 18)		-0-		
(7) RESERVES (itemize)		-0-		
(8)				
(9)				
(10)				
(11)				
(12)				
(13)				
(14)				
(15)				
(16)				
(17)				
(18)				
(19)				
(20)				
(21)				
(22)	Total liabilities	\$		

*(less depreciation, if any)

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

10. Life insurance policies now in force with right to change beneficiary reserved.

NUMBER OF POLICY	NAME OF COMPANY	AMOUNT OF POLICY	PRESENT CASH SUR- RENDEN- VAL AND ACCUMU- LATED DIVIDENDS	POLICY LOAN	DATE MADE	AUTOMATIC PREMIUM PAYMENTS*	DATE MADE
10A.		\$	\$	\$		\$	
10B.							
10C.							
10D.							
10E.							
10F.							
10G.							
10H.							
10I.							
10J.							

*Excludes only those made prior to date notice of levy was served on the insurance company.

11. Life insurance policies assigned or pledged on indebtedness.

If any of the policies listed in item 10 above are assigned or pledged on indebtedness, (except with insurance companies), give the following information with respect to each policy.

NO. OF POLICY ASIGNED OR PLEDGED	NAME AND ADDRESS OF PLEDGOR OR ASSIGNEE	AMOUNT OF INDEBTEDNESS	DATE PLEDGED OR ASSIGNED
11A.		\$	
11B.	-0-		
11C.			
11D.			
11E.			
11F.			
11G.			

12. Accounts and notes receivable.

NAME	COST	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLACED	DATE PLEDGED
12A. ACCOUNTS RECEIVABLE				
(1)	\$	\$	\$	
(2)	-0-			
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11)				
(12) Total	\$	\$	\$	
12B. NOTES RECEIVABLE				
(1)	\$	\$	\$	
(2)	-0-			
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
(11) Total	\$	\$	\$	

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

13. Merchandise inventory

DESCRIPTION	COST	FAIR MARKET VALUE	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLEDGED	DATE PLEDGED
13A. RAW MATERIAL	\$ -0-	\$	\$	\$	
13B. WORK IN PROGRESS					
13C. FINISHED GOODS					
13D. SUPPLIES					
13E. OTHER (Specify)					
13F. Total	\$	\$	\$	\$	

14. Real estate

DESCRIPTION	COST*	FORCED SALE VALUE	BALANCE DUE ON MORTGAGE	DATE MORTGAGE RECORDED	UNPAID INTEREST AND TAXES
14A. Split Level - Residence	\$ 20,000.	\$ 25,000.	\$ 22,000.	1959	\$ 1,000.
14B.					
14C.					
14D.					
14E.					
14F.					
14G.					
14H.					
14I. Total	\$	\$	\$		\$

15. Furniture and fixtures — Machinery and equipment

DESCRIPTION	COST*	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLEDGED	DATE PLEDGED
15A. FURNITURE AND FIXTURES (Business)	\$	\$	\$	
15B. FURNITURE (Household, residence)				
15C. MACHINERY (Show type etc., specify)				
15D.				
15E.				
15F.				
15G. EQUIPMENT (Except trucks and automobiles — specify)				
15H.				
15I.				
15J.				
15K. Total	\$	\$	\$	

16. Trucks and automobiles

16A. TRUCKS	\$	\$	\$	
16B.		-0-		
16C.				
16D.				
16E.				
16F.				
16G. AUTOMOBILES (Personal or used in business)				
16H.				
16I.				
16J.				
16K.				
16L.				
16M. Total	\$	\$	\$	

*Less depreciation, if any.

**GOVERNMENT EXHIBIT 2 -- Offer in Compromise with
Docum. - s attached, dated 8-29-68.**

17. Securities (bonds, stocks, etc.)

NAME OF COMPANY	NO. OF UNITS	COST	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLEDGED	DATE PLEDGED
17A. Hotel Van Curler		\$ 1,000.	\$ -0-	\$	
17B.					
17C.					
17D.					
17E.					
17F.					
17G.					
17H.					
17I. Total		\$ 1,000.	\$ -0-	\$	

18. Judgments

NAME OF CREDITOR	AMT. OF JUDGMENT	DATE RECORDED	WHERE RECORDED
18A.	\$		
18B.			
18C.			
18D.			
18E. Total	\$ -0-		

19. Statement of income - Corporation

IMPORTANT: If corporation submits offer in compromise, furnish information requested below from income tax returns, as adjusted, for past 2 years and from records for current year from January 1 to date.

(19A) GROSS INCOME	19	19	JAN. 1 TO	19
(11) GROSS SALES OR RECEIPTS (less returns and allowances)	\$ -0-	\$ -0-	\$	
(12) COST OF GOODS SOLD				
(13) GROSS PROFIT - TRADING OR MANUFACTURING				
(14) GROSS PROFIT - FROM OTHER SOURCES				
(15) INTEREST INCOME				
(6) RENTS AND ROYALTIES				
(7) GAINS & LOSSES (From Sched. D)				
(8) DIVIDENDS				
(9) OTHER INCOME (Specify)				
(10) Total income	\$	\$	\$	
19B. DEDUCTIONS				
(1) COMPENSATION OF OFFICERS	\$ -0-	\$ -0-	\$	
(2) SALARIES & WAGES (Not deducted elsewhere)				
(3) RENTS				
(4) REPAIRS				
(5) BAD DEBTS				
(6) INTEREST				
(7) TAXES				
(8) LOSSES				
(9) DIVIDENDS				
(10) DEPRECIATION AND DEPLETION				
(11) CONTRIBUTIONS				
(12) ADVERTISING				
(13) OTHER DEDUCTIONS (Specify)				
(14)				
(15) Total deductions	\$	\$	\$	
19C. Net income (loss)	\$	\$	\$	
19D. Nontaxable income	\$	\$	\$	
19E. Unallowable deductions	\$	\$	\$	

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

20. Salaries paid to principal officers and dividends distributed - Corporation

IMPORTANT: If corporation submits offer in compromise, show SALARIES paid to principal officers FOR PAST 3 YEARS and AMOUNTS DISTRIBUTED in dividends, if any, DURING AND SINCE THE TAXABLE YEARS COVERED BY THIS OFFER.

20A. SALARIES PAID TO (Name and Title)		19	19	19	
(1)	PRESIDENT	\$ -0-	\$	\$	
(2)	VICE PRESIDENT				
(3)	TREASURER				
(4)					
(5)					
(6)					
(7)		Total	\$	\$	
20B. YEAR	DIVIDEND PAID	YEAR	DIVIDEND PAID	YEAR	
(1)	\$	(7)	\$	(13)	\$
(2)		(8)		(14)	
(3)		(9)		(15)	
(4)		(10)		(16)	
(5)		(11)		(17)	
(6) Total	\$	(12) Total	\$	(18) Total	\$

21. Statement of income - Individual

IMPORTANT: If individual or estate submits offer in compromise, furnish information requested below from income tax return, as adjusted for P — YEARS.

21A. GROSS INCOME		19	66	19	67
(1) SALARIES, WAGES, COMMISSIONS		\$	-0-	\$	7,200.
(2) DIVIDENDS					
(3) INTEREST					
(4) INCOME FROM BUSINESS OR PROFESSION					
(5) PARTNERSHIP INCOME					
(6) GAINS OR LOSSES (From Sched. D, Form 1040)					
(7) ANNUITIES AND PENSIONS					
(8) RENTS AND ROYALTIES					
(9) INCOME FROM ESTATES AND TRUSTS					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)		Total Income	\$	-0-	\$ 7,200.
21B. DEDUCTIONS					
(1) CONTRIBUTIONS			\$	-0-	\$
(2) INTEREST PAID					
(3) TAXES PAID					
(4) LOSSES BY FIRE, STORM, ETC.					
(5) MEDICAL EXPENSES					
(6) BAD DEBTS					
(7)					
(8)					
(9)					
(10)					
(11)		Total deductions	\$	-0-	\$
(12)					
21C.		Net income (loss)	\$	-0-	\$
				-0-	\$
21D.		Nontaxable income	\$	-0-	\$
21E.		Unallowable deductions	\$	-0-	\$

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

22. Receipts and disbursements - Individual		FROM	TO
If offer in compromise is submitted by an individual or on behalf of an estate furnish below a complete analysis of receipts and disbursements for the past 12 months.			
22A. RECEIPTS			
DESCRIPTION	SOURCE FROM WHICH RECEIVED	AMOUNT	
(1) SALARY		\$	
(2) COMMISSIONS	Prestige Realty		7,200.00
(3) BUSINESS OR PROFESSION			
(4) DIVIDENDS			
(5) INTEREST RECEIVED			
(6) ANNUITIES OR PENSIONS			
(7) RENTS AND ROYALTIES			
(8) SALE OF ASSETS (Net Amt. Rec'd)			
(9) AMOUNTS BORROWED			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
Total receipts			\$ 7,200.00
22B. DISBURSEMENTS			
DESCRIPTION		AMOUNT	
(1) DEBT REDUCTION		\$	
(2) INTEREST PAID			740.00
(3) FEDERAL TAXES			550.00
(4) OTHER TAXES	Social Security		400.00
(5) INSURANCE PREMIUMS			
(6) MEDICAL EXPENSES			
(7) AUTOMOBILE EXPENSE			950.00
(8) SERVANTS WAGES			
(9) LIVING EXPENSES (Itemize)			3,640.00
Real Estate Taxes			578.00
Miscellaneous			300.00
Total disbursements			\$ 7,158.00

**GOVERNMENT EXHIBIT 2 — Offer in Compromise with
Documents attached, dated 8-29-68.**

23. **Disposition of assets** — Have you disposed of any assets or property with a cost or fair market value at the time of sale, transfer, exchange, gift or other disposition in excess of \$500, except for full value, from the beginning of the taxable period covered by this offer in compromise to the present date?

YES NO (If answer is "Yes" submit following information)

DESCRIPTION OF ASSET	DATE OF TRANSFER	FAIR MARKET VALUE WHEN TRANSFERRED	CONSIDERATION RECEIVED	RELATIONSHIP OF TRANSFeree TO TAXPAYER
		\$	\$	

24. **Interest in or beneficiary of estate or trust** — Have you any life interest or remainder interest, either vested or contingent in any trust or estate, or are you a beneficiary of any trust?

YES NO (If "Yes," furnish copy of instrument creating trust or estate — Also give the following information)

NAME OF TRUST OR ESTATE	PRESENT VALUE OF ASSETS	VALUE OF YOUR INTEREST.	ANNUAL INCOME RECEIVED FROM THIS SOURCE
	\$	\$	\$

25. **Grantor, donor, trustee or fiduciary** — Are you the grantor or donor of any trust, or the trustee or fiduciary for any trust? YES

NO (If "Yes," submit copy of instrument creating trust. Also give value of corpus of trust at present time and any other information pertinent to your case.)

26. **Any other assets or interests in assets** — Have you any other assets or an interest in assets either actual or contingent, other than those listed herein?

YES NO (If "Yes," describe such assets fully)

27A. ARE FORECLOSURE PROCEEDINGS PENDING AT THE PRESENT TIME ON REAL ESTATE WHICH YOU OWN OR HAVE AN INTEREST?	27B. IF "YES," GIVE LOCATION OF REAL ESTATE.	27C. WAS THE GOVERNMENT MADE A PARTY TO THE SUIT?
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO

28A. ARE BANKRUPTCY OR RECEIVERSHIP PROCEEDINGS PENDING?	28B. IF A CORPORATION, IS IT IN PROCESS OF LIQUIDATION?
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	<input type="checkbox"/> YES <input type="checkbox"/> NO

29. If sum offered in compromise is borrowed money, give name and address of lender and list collateral, if any, pledged to secure the loan.

Prestige Realty
M. Kolakowski
1011 State Street, Schenectady, N.Y.

-Collateral-
Advance on Commissions.

30. Prospect of increase in value of assets or in present income (Give general statement).

31. Affidavit

Under the penalties of perjury I (We) declare that the foregoing statements and information are true and complete to the best of my (our) knowledge and belief and that I (we) have no assets (owned either directly or indirectly) or income of a nature other than as set forth herein.

31A. FOREGOING STATEMENT IS AS OF (Date): <i>11/15/68</i>	31B. SIGNATURE: <i>X W. Baskin, Esq.</i>
--	---

**GOVERNMENT EXHIBIT 3 - Offer in Compromise with
Documents attached, dated 5-14-69.**

FORM 656 (REV. 7-57)	U. S. TREASURY DEPARTMENT - INTERNAL REVENUE SERVICE		To be filed in duplicate with District Director
OFFER IN COMPROMISE			
NAME(S) AND ADDRESS OF TAXPAYER(S)		GOVERNMENT EXHIBIT <i>Reid 4/29/69</i> <i>300-11 id</i>	
TO COMMISSIONER OF INTERNAL REVENUE Through the District Director		DATE March, 1969	FOR USE OF DISTRICT DIRECTOR INDICATE WHETHER OFFER IS - (Check applicable box) <input type="checkbox"/> CASH (Paid in full) <input type="checkbox"/> DEFERRED PAYMENT AMOUNT PAID <i>\$ 200.00</i>
<p>1. This offer is submitted by the undersigned to compromise a liability resulting from alleged violation(s) of law or failure to pay on internal revenue liability as follows: <u>100% penalty liability plus statutory additions incurred for D.C.E. State specifically the violation of law involved and/or the kind and total amount of \$19,247.49 plus accrued interest for the period failure as a responsible officer unpaid tax, ad valorem penalty and any assessed interest by periods and each period involved</u>. D.C.E.</p> <p>2. The total sum of \$ 200.00 paid in full or payable on the deferred payment basis as follows 1/12 plus any collateral agreement negotiated at (See footnote 2 on reverse) a future time D.C.E.</p> <p>3. together with interest at the rate of 6 percent per annum on the deferred payments, if any, from the date the offer is accepted until the respective payments are made in full, is hereby tendered voluntarily with the request that it be accepted in compromise of the above described liability (plus any accrued interest on the liability covered by this offer) of the taxpayer aforesaid.</p> <p>4. In making this offer, and as a part consideration thereof, the proponent agrees (a) that all payments and other credits heretofore made to the account(s) for the period(s) covered by this offer shall be retained by the United States; and (b) that any and all amounts of money to which the proponent may be entitled under the internal revenue laws, due through overpayments of any tax or other liability, including interest and penalties, made for periods ending prior to or during the calendar year in which this offer is accepted, as are not in excess of the difference between the liability sought to be compromised and the amount herein offered, shall also be retained by the United States. Any such refund received after the filing of this offer will be returned immediately to the office of the District Director.</p> <p>5. It is further agreed that upon notice to the proponent of the acceptance of this offer in compromise of the liability aforesaid, the proponent shall have no right to contest in court or otherwise the amount of the liability sought to be compromised; and that in the event this offer is a deferred payment offer and there is a default in payment of any installment of principal or interest due under the terms of the offer, the Commissioner of Internal Revenue (or his delegate), at his option, (a) may proceed immediately by suit to collect the entire unpaid balance of the offer, or (b) may proceed immediately by suit to collect as liquidated damages an amount equal to the liability sought to be compromised, minus any deposits already received under the terms of the offer, in compromise, with interest on the unpaid balance at the rate of 6 percent per annum from the date of default, or (c) may disregard the amount of such offer and apply all amounts previously deposited thereunder against the amount of the liability sought to be compromised and may, without further notice of any kind, assess and/or collect by levy or suit the balance of such liability, the right of appeal to the Tax Court of the United States and the restrictions against assessment and/or collection being hereby waived.</p> <p>5. The following facts and reasons are submitted as grounds for acceptance of this offer: Taxpayer has no assets with which to pay this assessment.</p> <p>If space is insufficient attach supporting statement</p> <p>6. The undersigned proponent waives the benefit of any statute of limitations applicable to the assessment and/or collection of the liability sought to be compromised, and agrees to the suspension of the running of the statutory period of limitations on assessment and/or collection for the period during which this offer is pending, or the period during which any installment remains unpaid, and for 1 year thereafter.</p> <p>7. It is understood that this offer will be considered and acted upon in due course and that it does not afford relief from the liability sought to be compromised unless and until it is actually accepted in writing by the Commissioner or his duly authorized representative, and the terms of the offer have been fully complied with.</p> <p>RECEIVED U.S. GOVERNMENT PRINTING OFFICE 1967 O-10801</p> <p>Waiver of statutory period of limitations is hereby accepted by the undersigned:</p> <p>DISTRICT DIRECTOR OF INTERNAL REVENUE (Enter name) <i>Donald T. Hartley</i> <i>Donald T. Hartley</i></p> <p>BY (Signature and title) <i>Edward J. Myers</i> <i>Edward J. Myers, Actg. Chief</i></p> <p>SPECIAL PROCEDURES SECTION</p> <p>DISTRICT DIRECTOR OF INTERNAL REVENUE (Enter name) <i>W. Baldwin Drums</i></p> <p>SIGNATURE(S) OF PROPONENT(S)</p> <p>DATE 5-14-69</p>			

**GOVERNMENT EXHIBIT 3 – Offer in Compromise with
Documents attached, dated 5-14-69.**

Transcript of Account - To be furnished by District Director						
LIABILITY INCURRED BY (List taxpayers included under same Account No.)		KIND OF LIABILITY (Complete description)				
W. Baldrin Droms 1177 Iroquois Path Scotia, New York		F-941 100% Penalty				
DATE NOTICE OF LIEN FILED		PLACE NOTICE OF LIEN FILED		WAS BOND FILED? (If "Yes," attach copy)		
				<input type="checkbox"/> YES	<input type="checkbox"/> NO	
WERE ASSETS PLEDGED AS SECURITY FOR OFFERS INVOLVING DELINQUENCY PENALTIES ONLY (If "Yes," attach complete information)		PERIOD(S) INVOLVED AND DATE(S) RETURN(S) FILED				
<input type="checkbox"/> YES <input type="checkbox"/> NO						
RECORD OF ASSESSMENTS AND PAYMENTS						
TAX PERIOD (a) -	(1) ACCOUNT NUMBER (2) ASSESSMENT DATE (b)	DEBITED	CREDITED	PO CR AB (f)	(1) BALANCE DUE (2) DATE OF FIRST NOTICE (g)	
		(Enter Codes: P - Penalty In - Interest) (c)	AMOUNT (d)		DATE (e)	
		See attached certification				
REMARKS						
<p>I certify that the foregoing information regarding the accounts of the taxpayer(s) named above is true and complete for the tax(es) specified and the period(s) stated and that all assessments and payments of tax, penalty and interest, and all abatements, credits, and refunds relating thereto as disclosed by the records of this office are shown herein.</p>						
<p>If this offer is paid in full at the time it is filed with the District Director no entries should be made in this space. If this is a deferred payment offer show in this space (a) the amount deposited at the time of filing this offer (b) any amounts deposited on prior offers, which are applied on this offer (c) the amount of each deferred payment and the date on which each payment is to be made. (Amounts payable subsequent to the date of filing of offer including amounts payable upon notice of acceptance constitute deferred payments.)</p>		<p>DISTRICT DIRECTOR OF INTERNAL REVENUE (Enter name)</p> <p>Norman E. Morrill</p> <p>BY (Signature and title)</p> <p>Eugene F. Rector Certification Group Supervisor, Accounting Br</p>				

**GOVERNMENT EXHIBIT 3 – Offer in Compromise with
Documents attached, dated 5-14-69.**

U. S. Treasury Department
Internal Revenue Service

ACCOUNT CARD

W BALDWIN DROWS	100 N. E. 46TH
1177 IROQUOIS PATH	230 4 5 68
SCOTIA NY 12302	10 65-6 66 BALDWIN DROWS
074 03 1531	INC 1177 IROQUOIS PATH
	SCOTIA NY
	2749 941
REF. AND DATE	DEBIT
MAR 27'68P	19,247.49

(Continue postings on reverse)

TS-5 REV. 7-67 PART 1

**GOVERNMENT EXHIBIT 3 – Offer in Compromise with
Documents attached, dated 5-14-69.**

FORM 433 <small>(REV. SEPT. 1963)</small>		U. S. TREASURY DEPARTMENT - INTERNAL REVENUE SERVICE STATEMENT OF FINANCIAL CONDITION AND OTHER INFORMATION <small>(To be filed in duplicate with offer in compromise.)</small>		
<p>Submit information requested herein with your offer in compromise, if offer is based wholly or partly on inability to pay the liability. Assistance in preparation of the statement may be secured from a representative of the Office of the District Director of Internal Revenue or your tax advisor. It is important that all applicable questions be answered fully. The careful filling out of this form will expedite the consideration of your offer.</p>				
1A. NAME OF TAXPAYER W. Baldwin Droms	1B. SOC. SEC. NO. 074-03-1531	2A. NAME OF REPRESENTATIVE, IF ANY L. Lombardi and D. Ertel		
1C. BUSINESS ADDRESS 1011 State Street, Sch'dy, N.Y.	1D. BUS. TEL.	2B. ADDRESS AND TELEPHONE NUMBER 34 Jay Street Schenectady, New York 372-3383		
1E. HOME ADDRESS 1177 Iroquois Path, Scotia, N.Y.	1F. HOME TEL.			
3. If proponent is not taxpayer				
3A. NAME OF PROPOVENT	3B. ADDRESS OF PROPOVENT	3C. RELATIONSHIP TO TAXPAYER (partner, president, father, etc.)		
4. Class of tax	Taxable period	Amount offered	Unpaid liability	
4A.				
4B.				
4C.				
4D.				
4E.				
5. Due and unpaid federal taxes (Except those covered by this offer in compromise)				
CLASS OF TAX	TAXABLE PERIOD		UNPAID LIABILITY	
5A.				
5B.				
5C.				
6. List names of banks and other financial institutions you have done business with at any time during past 3 years.				
NAME AND ADDRESS	NAME AND ADDRESS			
6A. Mohawk National	6B. State Street, Schenectady, N.Y.			
6C. Schenectady Trust	6D. State Street, Schenectady, N.Y.			
6E. DO YOU RENT A SAFETY DEPOSIT BOX IN YOUR NAME OR IN ANY OTHER NAME? (If "yes" give name and address of bank)				
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
7. If income withholding or employment tax involved, complete 7a thru 7f inclusive.				
7A. WERE THE EMPLOYEES' INCOME WITHHOLDING OR EMPLOYMENT TAXES (due from employees on wages received by them with respect to employment) DEDUCTED OR WITHHELD FROM THE WAGES PAID DURING ANY PERIOD MENTIONED ABOVE?				
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	7C. IF DEDUCTED BUT NOT PAID OVER, WHAT DISPOSITION WAS MADE OF THE AMOUNTS DEDUCTED?			
7B. IF SO, WAS SUCH TAX PAID TO THE DISTRICT DIRECTOR OF INTERNAL REVENUE?				
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	7D. HAS BUSINESS IN WHICH YOU INCURRED SUCH TAXES BEEN DISCONTINUED?			
Used to pay business obligations		7E. IF DISCONTINUED, WHEN? (Date) 1966		
7F. WHAT DISPOSITION WAS MADE OF ASSETS OF DISCONTINUED BUSINESS?				
. Creditors 8. Offer filed by individual 8A. NAME OF SPOUSE Margaret D. Droms 8B. DEPENDENT CHILDREN OR RELATIVES (1) Warren David Son 45 8C. AGE OF TAXPAYER (2) Sharlene Daughter 51 (3) Jeffrey Son 10 (4) Stephanie Daughter 8 (5) (6) (7)				

**GOVERNMENT EXHIBIT 3 – Offer in Compromise with
Documents attached, dated 5-14-69.**

Furnish your most recent financial statement setting forth in separate columns the cost, fair market value, and estimated forced sale value of each asset. List all assets directly or indirectly owned and disclose all interests in estates, trusts, and other property rights, including contingent interests and remainders.

			STATEMENT IS AS OF (Date)
9. Statement of assets and liabilities			
9A. ASSETS			
(1) CASH	\$ -0-	\$ -0-	\$ -0-
(2) CASH SURRENDER VALUE OF INSURANCE (See item 10)	-0-	-0-	-0-
(3) ACCOUNTS RECEIVABLE (See item 12A)	-0-	-0-	-0-
(4) NOTES RECEIVABLE (See item 12B)	-0-	-0-	-0-
(5) MERCHANDISE INVENTORY (See item 13)	-0-	-0-	-0-
(6) REAL ESTATE (See item 14)	20,000	26,000	25,000
(7) FURNITURE AND FIXTURES (See item 15)	4,000	3,000	500
(8) MACHINERY AND EQUIPMENT (See item 15)	-0-	-0-	-0-
(9) TRUCKS AND DELIVERY EQUIPMENT (See item 16)	-0-	-0-	-0-
(10) AUTOMOBILES (See item 16)	-0-	-0-	-0-
(11) SECURITIES (See item 17)	-0-	-0-	-0-
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			
(25)			
(26)			
(27) Total assets	\$	\$	\$
9B. LIABILITIES			AMOUNT
(1) LOANS ON INSURANCE (See items 10 & 11)	\$ 25,000		
(2) ACCOUNTS PAYABLE	2,000		
(3) NOTES PAYABLE	22,000		
(4) MORTGAGES (See item 14)	1,000		
(5) ACCRUED REAL ESTATE TAXES (See item 14)			
(6) JUDGMENTS (See item 18)			
(7) RESERVES (itemize)			
(8)			
(9)			
(10)			
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22) Total liabilities	\$		

*(Less depreciation, if any)

**GOVERNMENT EXHIBIT 3 – Offer in Compromise with
Documents attached, dated 5-14-69.**

10. Life insurance policies now in force with right to beneficiary reserved.

NUMBER OF POLICY	NAME OF COMPANY	AMOUNT OF POLICY	PRESENT CASH SURRENDER VALUE PLUS ACCUMULATED DIVIDENDS	POLICY LOAN	DATE MADE	AUTOMATIC PREMIUM PAYMENTS*	DATE MADE
10A.		\$	\$	\$		\$	
10B.							
10C.							
10D.							
10E.							
10F.							
10G.							
10H.							
10I.							
10J.							

*Show only those made prior to date notice of levy was served on the insurance company.

11. Life insurance policies assigned or pledged on indebtedness.

If any of the policies listed in item 10 above are assigned or pledged on indebtedness, (except with insurance companies) give the following information with respect to each policy:

NO. OF POLICY ASIGNED OR PLEDGED	NAME AND ADDRESS OF PLEDGEE OR ASSIGNEE	AMOUNT OF INDEBTEDNESS	DATE PLEDGED OR ASSIGNED
11A.	-0-	\$	
11B.	-0-		
11C.	-0-		
11D.	-0-		
11E.	-0-		
11F.	-0-		
11G.	-0-		

12. Accounts and notes receivable.

NAME	COST	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLEDGED	DATE PLEDGED
12A. ACCOUNTS RECEIVABLE				
(1)	\$ -0-	\$	\$	
(2)	-0-			
(3)	-0-			
(4)	-0-			
(5)	-0-			
(6)	-0-			
(7)	-0-			
(8)	-0-			
(9)	-0-			
(10)	-0-			
(11)	-0-			
(12) Total	\$	\$	\$	
12B. NOTES RECEIVABLE				
(1)	\$ -0-	\$	\$	
(2)	-0-			
(3)	-0-			
(4)	-0-			
(5)	-0-			
(6)	-0-			
(7)	-0-			
(8)	-0-			
(9)	-0-			
(10)	-0-			
(11) Total	\$	\$	\$	

**GOVERNMENT EXHIBIT 3 - Offer in Compromise with
Documents attached, dated 5-14-69.**

13. Merchandise inventory

DESCRIPTION	COST	FAIR MARKET VALUE	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLEDGED	DATE PLEDGED
13A. RAW MATERIAL	\$ -0-	\$	\$	\$	
13B. WORK IN PROGRESS	-0-				
13C. FINISHED GOODS	-0-				
13D. SUPPLIES	-0-				
13E. OTHER (Specify)	-0-				
13F. Total	\$ -0-	\$	\$	\$	

14. Real estate

DESCRIPTION	COST*	FORCED SALE VALUE	BALANCE DUE ON MORTGAGE	DATE MORTGAGE RECORDED	UNPAID INTEREST AND TAXES
14A. Split level residence	\$ 20,000	\$ 25,000	\$ 22,000	1959	\$ 1,000
14B.					
14C.					
14D.					
14E.					
14F.					
14G.					
14H.					
14I. Total	\$	\$	\$		\$

15. Furniture and fixtures - Machinery and equipment

DESCRIPTION	COST*	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLEDGED	DATE PLEDGED
15A. FURNITURE AND FIXTURES (Business)	\$	\$	\$	
15B. FURNITURE (Household-residence)				
15C. MACHINERY (Show type etc., specify)				
15D.				
15E.				
15F.				
15G. EQUIPMENT (Except trucks and automobiles - specify)				
15H.				
15I.				
15J.				
15K. Total	\$	\$	\$	

16. Trucks and automobiles

16A. TRUCKS	\$ -0-	\$	\$	
16B.	-0-			
16C.	-0-			
16D.	-0-			
16E.	-0-			
16F.	-0-			
16G. AUTOMOBILES (Personal or used in business)	-0-			
16H.	-0-			
16I.	-0-			
16J.	-0-			
16K.	-0-			
16L.	-0-			
16M. Total	\$ -0-	\$	\$	

*(Less depreciation, if any)

**GOVERNMENT EXHIBIT 3 — Offer in Compromise with
Documents attached, dated 5-14-69.**

17. Securities (Bonds, stocks, etc.)					
NAME OF COMPANY	NO. OF UNITS	COST	FORCED SALE VALUE	AMOUNT OF INDEBTEDNESS IF PLEDGED	DATE PLEDGED
17A. Hotel VanCurler		\$ 1000	\$ -0-	\$	
17B.					
17C.					
17D.					
17E.					
17F.					
17G.					
17H.					
17I. Total		\$ 1000	\$ -0-	\$	
18. Judgments					
NAME OF CREDITOR	AMT. OF JUDGMENT	DATE RECORDED	WHERE RECORDED		
18A.	\$				
18B.					
18C.					
18D.					
18E. Total	\$ -0-				
19. Statement of Income — Corporation					
(IMPORTANT: If corporation submits offer in compromise, furnish information requested below from income tax returns, as adjusted, for past 2 years and from records for current year from January 1 to date.)					
(1A) GROSS INCOME	19	19	JAN. 1 TO	19	
(1) GROSS SALES OR RECEIPTS (less returns and allowances)	\$ -0-	\$ -0-	\$		
(2) COST OF GOODS SOLD	-0-	-0-			
(3) GROSS PROFIT - TRADING OR MANUFACTURING	-0-	-0-			
(4) GROSS PROFIT - FROM OTHER SOURCES	-0-	-0-			
(5) INTEREST INCOME	-0-	-0-			
(6) RENTS AND ROYALTIES	-0-	-0-			
(7) GAINS & LOSSES (From Sched. D)	-0-	-0-			
(8) DIVIDENDS	-0-	-0-			
(9) OTHER INCOME (Specify)	-0-	-0-			
(10) Total Income	\$ -0-	\$ -0-	\$		
19B. DEDUCTIONS					
(11) COMPENSATION OF OFFICERS	\$ -0-	\$ -0-	\$		
(12) SALARIES & WAGES (Not deducted elsewhere)	-0-	-0-			
(13) RENTS	-0-	-0-			
(14) REPAIRS	-0-	-0-			
(15) BAD DEBTS	-0-	-0-			
(16) INTEREST	-0-	-0-			
(17) TAXES	-0-	-0-			
(18) LOSSES	-0-	-0-			
(19) DIVIDENDS	-0-	-0-			
(20) DEPRECIATION AND DEPLETION	-0-	-0-			
(21) CONTRIBUTIONS	-0-	-0-			
(22) ADVERTISING	-0-	-0-			
(23) OTHER DEDUCTIONS (Specify)	-0-	-0-			
(24)	-0-	-0-			
(15) Total deductions	\$ -0-	\$ -0-	\$		
19C. Net income (loss)	\$	\$	\$		
19D. Nontaxable income	\$	\$	\$		
19E. Unallowable deductions	\$	\$	\$		

**GOVERNMENT EXHIBIT 3:— Offer in Compromise with
Documents attached, dated 5-14-69.**

20. Salaries paid to principal officers and dividends distributed – Corporation

IMPORTANT: If corporation submits offer in compromise, show SALARIES paid to principal officers FOR PAST 3 YEARS and AMOUNTS DISTRIBUTED in dividends, if any, DURING AND SINCE THE TAXABLE YEARS COVERED BY THIS OFFER.

20A. SALARIES PAID TO (Name and Title)		19	19	19	
(1)	, PRESIDENT	\$	\$	\$	
(2)	, VICE PRESIDENT				
(3)	, TREASURER				
(4)					
(5)					
(6)					
(7)		Total	\$	\$	
20B. YEAR	DIVIDEND PAID	YEAR	DIVIDEND PAID	YEAR	
(1)	\$	(7)	\$	(13)	
(2)		(8)		(14)	
(3)		(9)		(15)	
(4)		(10)		(16)	
(5)		(11)		(17)	
(6) Total	\$	(12) Total	\$	(18) Total	\$

21. Statement of income – Individual

IMPORTANT: If individual or estate submits offer in compromise, furnish information requested below from income tax returns as adjusted for PAST 2 YEARS.

21A. GROSS INCOME		19	67	19	68
(1) SALARIES, WAGES, COMMISSIONS			\$ 7,200		\$ 6,600
(2) DIVIDENDS					
(3) INTEREST					
(4) INCOME FROM BUSINESS OR PROFESSION					
(5) PARTNERSHIP INCOME					
(6) GAINS OR LOSSES (From Sched. D, Form 1040)					
(7) ANNUITIES AND PENSIONS					
(8) RENTS AND ROYALTIES					
(9) INCOME FROM ESTATES AND TRUSTS					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)		Total in—	\$ 7,200		\$ 6,600
21B. DEDUCTIONS					
(1) CONTRIBUTIONS			\$ -0-		\$
(2) INTEREST PAID			-0-		
(3) TAXES PAID			-0-		
(4) LOSSES BY FIRE, STORM, ETC.			-0-		
(5) MEDICAL EXPENSES			-0-		
(6) BAD DEBTS			-0-		
(7)			-0-		
(8)			-0-		
(9)			-0-		
(10)			-0-		
(11)			-0-		
(12)		Total deductions	\$ -0-		\$
21C.		Net income (loss)	\$ -0-		\$
21D.		Nontaxable income	\$ -0-		\$
21E.		Unallowable deductions	\$ -0-		\$

**GOVERNMENT EXHIBIT 3 – Offer in Compromise with
Documents attached, dated 5-14-69.**

22. Receipts and disbursements - Individual

FROM

TO

If offer in compromise is submitted by an individual or on behalf of an estate, furnish below a complete analysis of receipts and disbursements for the past 12 months.

22A. RECEIPTS

DESCRIPTION	SOURCE FROM WHICH RECEIVED	AMOUNT
(1) SALARY		\$ -0-
(2) COMMISSIONS	Prestige Realty	6,600
(3) BUSINESS OR PROFESSION		-0-
(4) DIVIDENDS		-0-
(5) INTEREST RECEIVED		-0-
(6) ANNUITIES OR PENSIONS		-0-
(7) RENTS AND ROYALTIES		-0-
(8) SALE OF ASSETS (Net Amt. Rec'd)		-0--
(9) AMOUNTS BORROWED		-0-
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		

Total receipts \$ 6,600

22B. DISBURSEMENTS

DESCRIPTION	AMOUNT
(1) DEBT REDUCTION	
(2) INTEREST PAID	740.00
(3) FEDERAL TAXES	981.20
(4) OTHER TAXES	290.40
(5) INSURANCE PREMIUMS	
(6) MEDICAL EXPENSES	835.00
(7) AUTOMOBILE EXPENSE	
(8) SERVANTS WAGES	-0-
(9) LIVING EXPENSES (Itemized)	2,841.40
	712.00
	200.00

Total disbursements \$ 6,600.00

**GOVERNMENT EXHIBIT 3 - Offer in Compromise with
Documents attached, dated 5-14-69.**

23. Disposal of assets - Have you disposed of any assets or property with a cost or fair market value at the time of sale, transfer, exchange, gift or other disposition in excess of \$500, except for full value, from the beginning of the taxable period covered by this offer in compromise to the present date?

YES NO (If answer is "Yes" submit following information)

DESCRIPTION OF ASSET	DATE OF TRANSFER	FAIR MARKET VALUE WHEN TRANSFERRED	CONSIDERATION RECEIVED	RELATIONSHIP OF TRANSFeree TO TAXPAYER
		\$	\$	

24. Interest in or beneficiary of estate or trust - Have you any life interest or remainder interest, either vested or contingent in any trust or estate, or are you a beneficiary of any trust?

YES NO (If "Yes," furnish copy of instrument creating trust or estate - Also give the following information)

NAME OF TRUST OR ESTATE	PRESENT VALUE OF ASSETS	VALUE OF YOUR INTEREST	ANNUAL INCOME RECEIVED FROM THIS SOURCE
	\$	\$	\$

25. Grantor, donor, trustee or fiduciary - Are you the grantor or donor of any trust, or the trustee or fiduciary for any trust? YES

NO (If "Yes," submit copy of instrument creating trust. Also give value of corpus of trust at present time and any other information pertinent to your case.)

26. Any other assets or interests in assets - Have you any other assets or an interest in assets either actual or contingent, other than those listed herein?

YES NO (If "Yes," describe such assets fully)

27A. ARE FORECLOSURE PROCEEDINGS PENDING AT THE PRESENT TIME ON ANY REAL ESTATE WHICH YOU OWN OR HAVE AN INTEREST?

YES NO

27B. IF "YES," GIVE LOCATION OF REAL ESTATE.

27C. WAS THE GOVERNMENT MADE A PARTY TO THE SUIT?

YES NO

28A. ARE BANKRUPTCY OR RECEIVERSHIP PROCEEDINGS PENDING?

YES NO

28B. IF A CORPORATION, IS IT IN PROCESS OF LIQUIDATION?

YES NO

29. If sum offered in compromise is borrowed money, give name and address of lender and list collateral, if any, pledged to secure the loan.

Prestige Realty
M. Kolakowski
1011 State St., Sch'dy, N.Y.

- Collateral -
Advance on Commissions

30. Prospect of increase in value of assets or in present income (Give general statement).

31. Affidavit

Under the penalties of perjury I (We) declare that the foregoing statements and information are true and complete to the best of my (our) knowledge and belief and that I (we) have no assets (owned either directly or indirectly) or income of any nature other than as set forth herein.

31A. FORGOING STATEMENT IS AS OF (Date)

4/28/69

31B. SIGNATURE

W. Baed Drom

GOVERNMENT EXHIBIT 4 -- Tax Return Form 1040.

14222120103111

1040 U.S. Individual Income Tax Return U.S. Treasury Department, Internal Revenue Service
for the year January 1-December 31, 1968. **1968** **19**

First name and initial (if joint return, use first names and middle initials of both)		Last name	Your social security number		
Mr. Baldwin & Margaret L. Brown		Brown	074-03-1531-2		
Home address (Number and street or rural route)		ZIP code		Your occupation	
177 Leopards Path		50713 New York		Spouse's social security number	
City, town or post office, and State		State		Spouse's occupation	
Schenectady New York		New York		Salesman	
Enter below name and address used on your return for 1967 (if same as above, write "Same"). If none filed, give reason. If changing from separate to joint or joint to separate returns, enter 1967 names and addresses.					
Same					
Your present employer and address					
Your Filing Status—check only one:			Your Exemptions Regular 65 or over Blk. Enter number of boxes checked		
<input type="checkbox"/> Single			2a Yourself . . . 2 <input type="checkbox"/>		
<input checked="" type="checkbox"/> Married filing joint return (even if only one had income)			2b Spouse . . . 2 <input type="checkbox"/>		
<input type="checkbox"/> Married filing separately. If spouse is also filing a return, enter her (his) social security number in space provided above and give first name here			3a First names of your dependent children who lived with you during 1968		
<input type="checkbox"/> Unmarried Head of Household			Jeffrey Stephanie Enter number 4		
<input type="checkbox"/> Survivor (widower) with dependent child			3b Number of other dependents (from page 2, Part I, line 3) 24		
Income			4 Total exemptions claimed 24		
If joint return include all income of both husband and wife			5 salaries, tips, etc. If not shown on attached Forms W-2 attach explanation 6600		
6 Other income (from page 2, Part II, line 5) 14754					
7 Total (add lines 5 and 6) 18359					
8 Adjustments to income (from page 2, Part III, line 5) 8					
9 Total income ("adjusted gross income") (subtract line 8 from line 7) 18354					
10 If you do not itemize deductions and line 9 is under \$5,000, find tax in tables on pages 12-14 of instructions. Omit lines 11a, b, c, or d. Enter tax on line 12a.					
11a If you itemize deductions, enter total from page 2, Part IV, line 17					
If you do not itemize deductions, and line 9 is \$5,000 or more enter the larger of: (1) 10 percent of line 9; OR (2) \$200 (\$100 if married and filing separate return) plus \$100 for each exemption claimed on line 4, above. Deduction under (1) or (2) limited to \$1,000 (\$500 if married and filing separately).					
11b Subtract line 11a from line 9. Enter balance on this line 15361					
11c Multiply total number of exemptions on line 4, above, by \$600 3600					
11d Subtract line 11c from line 11b. Enter balance on this line. (Figure your tax on this amount by using tax rate schedule on page 11 of instructions.) Enter tax on line 12a. 1176					
12a Tax (Check if from: Tax Table <input type="checkbox"/> , Tax Rate Schedule <input checked="" type="checkbox"/> Sch. D <input type="checkbox"/> , or Sch. G <input type="checkbox"/>) 2373					
12b Tax surcharge. If line 12a is less than \$734, find surcharge from tables on page 10 of instructions. If line 12a is \$734 or more, multiply amount on line 12a by .075 and enter result. (If you claim retirement income credit, use Schedule B (Form 1040) to figure surcharge.) 2373					
12c Total (add lines 12a and 12b) 2373					
13 Total credits (from page 2, Part V, line 4) 13					
14a Income tax (subtract line 13 from line 12c) 2373					
14b Tax from recomputing prior year investment credit (attach statement) 14b					
15 Self-employment tax (Schedule C-3 or F-1) 15 77.00					
16 Total tax (add lines 14a, 14b, and 15) 16 2450					
17 Total Federal income tax withheld (attach Forms W-2) 17 981					
18 Excess FICA tax withheld (two or more employers—see page 5 of instr.) 18					
19 <input type="checkbox"/> Nonhighway Federal gasoline tax—Form 4136, <input type="checkbox"/> Reg. Inv.—Form 4139 19					
20 1968 Estimated tax payments (include 1967 overpayment allowed as a credit) 20					
21 Total (add lines 17, 18, 19, and 20) 21 981					
22 If payments (line 21) are less than tax (line 16), enter Balance Due. Pay in full with this return 22 469					
23 If payments (line 21) are larger than tax (line 16), enter Overpayment 23					
24 Amount of line 23 you wish credited to 1969 Estimated Tax 24					
25 Subtract line 24 from 23. Apply to <input type="checkbox"/> U.S. Savings Bonds with excess refunded or <input type="checkbox"/> Refund only 25					
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information to which he has any knowledge.					
Sign here <i>Gibson Brown 4/16/69</i> Date <i>4/16/69</i> Signature of preparer entered as taxpayer <i>Gibson Brown 4/16/69</i> Social Security No. <i>074-03-1531-2</i>					
Spouse's signature (if filing jointly, BOTH must sign even if only one had income) <i>Gibson Brown 4/16/69</i>					
Enter here and on page 1, line 6 <input type="checkbox"/> Expenses to your employer, check here <input type="checkbox"/> and see page 6 of instructions					

GOVERNMENT EXHIBIT 4 - Tax Return Form 1040.

Part III Exemptions Complete only for dependents claimed		J, page 1		Form 1040-1968-Page 2	
(a) NAME (if more space is needed attach schedule)	(b) Relationship	(c) Months lived in your home. If born or died during year write "B" or "D"	(d) Did dependent have income of \$600 or more?	(e) Amount you furnished for dependent's support if 100% write "A."	(f) Amount furnished by OTHERS including dependent
1				\$	\$
2					
3 Total number of dependents listed above	Enter here and on page 1, line 3b				
Part II Income from sources other than wages, etc.					
Part IV Itemized deductions Use only if you do not use tax table or standard deduction.					
Medical and dental expense (not compensated by insurance or otherwise) - Attach itemized list.					
1a Gross dividends and other distributions on stock (list payers and amounts - write (H), (W), (J), for stock held by husband, wife, or jointly)					
1b Exclusion (see instructions)					
1c Capital gain distributions (see page 5 of instructions)					
1d Nontaxable distributions (see page 5 of instructions)					
1e Total (add lines 1b, 1c, and 1d)					
1f Taxable dividends (line 1a less line 1e - not less than zero)					
Interest (list payers and amounts below)					
Earnings from savings and loan assoc. and credit unions.					
Other interest (on bank deposits, bonds, tax refunds, etc.)					
2 Total interest income					
3 Pensions and annuities, rents and royalties, partnerships, estates or trusts, etc. (attach Sch. B)					
4 Business income or loss (attach Schedule C)					
5 Sale or exchange of property (attach Schedule D)					
6 Farm income or loss (attach Schedule F)					
Miscellaneous income (state nature and source)					
7 Total miscellaneous income					
8 TOTAL (add lines 1f, 2, 3, 4, 5, 6, and 7) Enter here and on page 1, line 6	11754	-			
Part III Adjustments to income					
1 "Sick pay" if included in line 5, page 1 (attach Form 2440 or other required statement)					
2 Moving expenses (attach Form 3903)					
3 Employee business expense (attach Form 2106 or other statement)					
4 Payments by self employed persons to retirement plans, etc. (attach Form 2950SE)					
5 TOTAL ADJUSTMENTS (lines 1 through 4) Enter here and on page 1, line 8					
Part V Credits					
1 Retirement income credit (Schedule B)					
2 Investment credit (Form 3468)					
3 Foreign tax credit (Form 1116)					
4 TOTAL CREDITS (for page 1, line 13)					
EXPENSE ACCOUNTS - If you had an expense allowance or charged expenses to your employer, check here <input checked="" type="checkbox"/> and see page 6 of instructions					

GOVERNMENT EXHIBIT 4 - Tax Return Form 1040

SCHEDULE C
(Form 1040)
U.S. Treasury Department
Internal Revenue Service

Profit (or Loss) From Business or Profession

(Sole Proprietorship)

(Compute social security self-employment tax on Schedule C-3 (Form 1040))

1068(b)

Attach this schedule to your income tax return, Form 1040. — Partnerships, joint ventures, etc., must file on Form 1065.

Name as shown on page 1 of Form 1040

Social security number

W. Baldwin & Margaret D. Dreams
Beauty Sales

074-03-1531

A Principal business activity
(See separate instructions)Product
(For example: retail, hardware, wholesale, tobacco, services, legal, manufacturing, furniture, etc.)

6510

B Business name W. Baldwin Dreams

C Employer identification number

D Business address Same

(ZIP code)

E Indicate method of accounting: (1) [] cash; (2) [] accrual; (3) [] other

F Was there any substantial change in the manner of determining quantities, costs, or valuations between the opening and closing inventories?
[] YES [] NO. If "Yes," attach explanation.

G Were you required to file Forms 1066 and 1099 or 1087 for the calendar year 1968? (See "Item G" in separate instructions for Schedule C)

[] YES [] NO. If "Yes," where were they filed?

1 Gross receipts or gross sales \$	13104	Less Returns and allowances	Commissions 13104 -
2 Inventory at beginning of year (if different from last year's closing inventory attach explanation)			
3 Merchandise purchased \$, less cost of any items withdrawn from business for personal use \$	
4 Cost of labor (do not include salary paid to yourself)			
5 Material and supplies			
6 Other costs (explain in Schedule C-1)			
7 Total of lines 2 through 6			
8 Inventory at end of this year			
9 Cost of goods sold and/or operations (subtract line 8 from line 7)			
10 Gross profit (subtract line 9 from line 1)			13104 -

OTHER BUSINESS DEDUCTIONS

11 Depreciation (explain in Schedule C-2)		
12 Taxes on business and business property (explain in Schedule C-1)		
13 Rent on business property		
14 Repairs (explain in Schedule C-1)		
15 Salaries and wages not included on line 4 (exclude any paid to yourself)		
16 Insurance		
17 Legal and professional fees		
18 Commissions		
19 Amortization (attach statement)		
20 Retirement plans, etc. (other than your share—see separate instructions)		
21 Interest on business indebtedness		
22 Bad debts arising from sales or services		
23 Losses of business property (attach statement)		
24 Depletion		
25 Other business expenses (explain in Schedule C-1)		
26 Total of lines 11 through 25		1350 -
27 Net profit (or loss) (subtract line 26 from line 10). Enter here, in Schedule C-3, line 1, and on page 2, Part II, line 4. Figure your self-employment income and tax on Schedule C-3		11754 -

SCHEDULE C-1 EXPLANATION OF LINES 6, 12, 14, AND 25

Line No.	Description	Amount	Line No.	Description	Amount
15	Business mileage Non-reimbursed. 7000 @ .16	700 -			\$
	Business costs				
	Entertainment				
	Charity promotion				

GOVERNMENT EXHIBIT 4 - Tax Return Form 1040.

CONTINUATION OF SCHEDULE C-1. EXPLANATION OF LINES 6, 12, 14, AND 25

Line No.	Explanation	Amount	Line No.	Explanation	Amount
		\$			\$

SCHEDULE C-2. EXPLANATION OF DEDUCTION FOR DEPRECIATION CLAIMED ON LINE 11—Where double headings appear use the first heading for depreciation under Revenue Procedures 62-21 and 65-13 and the second heading for other authorized practices.

1. Group and guideline class OR Description of property	2. Cost or other basis at beginning of year OR Cost or other basis	3. Asset additions in year (amount) OR Date acquired	4. Asset retirements in year (amount) (applicable only to Rev. Proc. 62-21)	5. Depreciation allowed or allowable in prior years	6. Method of computing depreciation	7. Class life OR Rate (%) or life	8. Depreciation for this year
1 Total additional first year depreciation (do not include in items below).							
2 Totals							
3 Less: Amount of depreciation claimed elsewhere in Schedule C							

2 Totals

3 Less: Amount of depreciation claimed elsewhere in Schedule C

4 Balance—Enter here and on page 1, line 11.

SUMMARY OF DEPRECIATION

SUMMARY OF DEPRECIATION	Straight line	Declining balance	Sum of the years digits	Units of production	Additional first year (section 179)	Other (specify)	Total
1 Under Rev. Proc's. 62-21 and 65-13							
2 Other							

EXPENSE ACCOUNT INFORMATION

EXPENSE ACCOUNT INFORMATION
Enter information with regard to yourself and your five highest paid employees. In determining the five highest paid employees, expense account allowances must be added to their salaries and wages. However, the information need not be submitted for any employee for whom the combined amount is less than \$10,000, or for yourself if your expense account allowance plus line 27, page 1, is less than \$10,000. See separate instructions for Schedule C, for definition of "expense account."

Did you claim a deduction for expenses connected with:
(1) Entertainment facility (boat, resort, ranch, etc.)?

(2) Living accommodations (except employees on business)? YES NO (4) Employee or family vacations not reported on Form W-2? YES NO

(2) Living accommodations (except employees on business)? YES NO (4) Employee or family options not reported on Form W-2

Name	Expense account	Salaries and wages
Owner		
1		
2		
3		
4		
5		

GOVERNMENT EXHIBIT 4 — Tax Return Form 1040

SCHEDULE C-3
(Form 1040)
U.S. Treasury Department
Internal Revenue Service

Computation of Social Security Self-Employment Tax

Attach this schedule to your income tax return, Form 1040

See instructions on page 2

1963(1)

- If you had wages, including tips, of \$7,800 or more which were subject to social security taxes, do not fill in this page.
- Complete only one Schedule C-3; if you had more than one business, combine profits (or losses) from all of your businesses on this Schedule.
- Each self-employed person must file a separate schedule.

Name of self-employed person (as shown on social security card)	Social Security Number	Check applicable block (1) <input checked="" type="checkbox"/> Male (2) <input type="checkbox"/> Female
W. Baldwin Deoress	074 03 1531	
1 Net profit (or loss) shown in Schedule C (Form 1040), line 27 (Enter combined amount if more than one business)	11754 -	
2 Add to net profit (subtract from net loss) losses of business property shown in Schedule C, line 23	11754 -	
3 Total (or difference)	11754 -	
4 Net income (or loss) from excluded services or sources included on line 3 Specify excluded services or sources		
Net earnings (or loss) from self-employment— (a) From business (line 3 less any amount on line 4)	11754 -	
(b) From partnerships, joint ventures, etc. (other than farming)		
(c) From service as a minister, member of a religious order, or a Christian Science practitioner. If you filed Form 4361, check here <input type="checkbox"/> and enter zero on this line		
(d) From farming reported on line 2 (or line 3 if option used), of separate Schedule F-1 (Form 1040)		
(e) From service with a foreign government or international organization		
(f) Other (director's fees, etc.). Specify		
6 Total net earnings (or loss) from self-employment reported on line 5. Enter here and in item F below. (If line 6 is under \$400, you are not subject to self-employment tax. Do not fill in rest of page)	11754 -	
7 The largest amount of combined wages and self-employment earnings subject to social security tax is	\$ 7,800 00	
8 (a) Total "F.I.C.A." wages as indicated on Form W-2		
(b) Unreported tips, if any, subject to F.I.C.A. tax from Form 4137, line 9	6600 -	
(c) Total of lines 8(a) and 8(b). Enter here and in item G below	1200 -	
9 Balance (subtract line 8(c) from line 7)	1200 -	
10 Self-employment income—line 6 or 9, whichever is smaller. Enter here and in item H, below	1200 -	
11 If line 10 is \$7,800, enter \$499.20; if less, multiply the amount on line 10 by .064	72 -	
12 Adjustment for hospital insurance benefits tax from Form 4469. (Applies only to railroad employees and railroad employee representatives)		
13 Self-employment tax (subtract line 12 from line 11). Enter here and on Form 1040, page 1, line 15	72 -	

Do not detach

Schedule C-3 (Form 1040)

Important.—The amounts reported on the form below are for your social security account. This account is used in figuring any benefits, based on your earnings, payable to you, your dependents, and your survivors. Fill in each item accurately and completely.

SCHEDULE SE
(Form 1040)
U.S. Treasury Department
Internal Revenue Service

U.S. Report of Self-Employment Income

For crediting to your social security account

1968

Indicate year covered by this return (even though income was received only in part of year):

- A Calendar year 1968 or other taxable year beginning _____, 1968, ending _____.
If less than 12 months, was short year due to (a) Death, or (b) Change in accounting period, or (c) Other.

B BUSINESS ACTIVITIES SUBJECT TO SELF EMPLOYMENT TAX (Grocery store, restaurant, etc.)

C *Realty Sales*

BUSINESS ADDRESS (number and street, city or post office, State, ZIP code)

D SOCIAL SECURITY NUMBER OF PERSON
NAMED IN ITEM E BELOW **⇒** 074 03 1531

PRINT OR TYPE NAME OF SELF-EMPLOYED PERSON AS SHOWN ON SOCIAL SECURITY CARD

*W. Baldwin Deoress*E PRINT OR TYPE HOME ADDRESS (number and street or rural route)
1177 100 Q4015 Path
(City or post office, State, and ZIP code)

PLEASE DO NOT WRITE IN THIS SPACE

F ENTER AMOUNT FROM LINE 6	\$ 11754 -
----------------------------	------------

G ENTER AMOUNT FROM LINE 12 IF ANY	\$ 64620 -
------------------------------------	------------

GOVERNMENT EXHIBIT 4 - Tax Return Form 1040.

FORM W-2
U.S. Treasury Department
Internal Revenue Service
APP. I & S. 3-19-68

FEDERAL INCOME TAX INFORMATION		
Federal income tax withheld	Wages paid subject to withholding in 1968	Other compensation* paid in 1968
981.20	6600.00	

Type or print EMPLOYEE'S social security no., name, address and zip code below:

074-02-1531
U. Baldwin Brooks
1177 Tequois Path
Schenectady, NY

Type or print EMPLOYER'S name and address below:
Prestige Realty of the Capital District Corp.
1011 State St.
Schenectady, NY
144-M08255

State Form No.	City Form No.	Copy C- For employee's records
SOCIAL SECURITY INFORMATION		
F.I.C.A. employee tax withheld*	Total F.I.C.A. wages paid in 1968*	
200.40	6600.00	207.60
Name of State		
Name of City		
S. Single M. Married	1. Includes tips reported by employee. This amount is before payroll deduction or "tax part" deduction. 2. Add this item to wages in figuring the amount to be reported as wages and salary on your income tax return. 3. The social security (F.I.C.A.) rate of 4.1% includes .6% for Hospital Insurance Benefits and .3% for old age survivors and disabled insurance. 4. Includes tips reported by employee.	
	Unclaimed Employee Tax on Tip: \$	

GOVERNMENT EXHIBIT 5 - Tax Return Form 1120.

 U.S. Corporation Income Tax Return For the year January 1 to December 31, 1955 or other taxable year beginning November 1, 1955 , ending October 31, 1956 <small>(PLEASE TYPE OR PRINT)</small>					
1120 <small>U.S. Treasury Department Internal Revenue Service</small>	10 <small>Estimated Tax For the year ending October 31, 1956 100% of estimated tax for calendar year 1955</small>				
Check If Applicable: <input type="checkbox"/> A Sale, exchange, or return of stock or property in 1955 will be taxed as a capital gain or loss. <input type="checkbox"/> B Consolidated return. <input type="checkbox"/> C Foreign Branches. <input type="checkbox"/> D Business Code No. (See 1120) Given in this State and Zip Code 6591 S. HENESTADY, New York					
IMPORTANT - All applicable lines and schedules must be filled in. If the lines on the schedules are not sufficient, see instruction Q.					
<table border="0"> <tr> <td style="vertical-align: top;"> GROSS INCOME 1 Gross receipts or gross sales 103469.11 2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule) 3 Gross profit 4 Dividends (Schedule C) 5 Interest on obligations of the United States and U.S. instrumentalities 6 Other interest 7 Rents 8 Royalties 9 Net gains (losses) - (separate Schedule D) 10 Other income (attach schedule) 11 TOTAL income - Add lines 3 through 10 103249.21 </td> <td style="vertical-align: top;"> less Returns and allowances 219.90 103249.21 DEDUCTIONS 12 Compensation of officers (Schedule E) 13 Salaries and wages (not deducted elsewhere) 14 Repairs (do not include cost of improvements or capital expenditures) 15 Bad debts (Schedule F if reserve method is used) 16 Rents 17 Taxes (attach schedule) 18 Interest 19 Contributions (attach schedule - see instructions for limitation) 20 Losses by fire, storm, shipwreck, other casualty, or theft (attach schedule) 21 Amortization (attach schedule) 22 Depreciation (Schedule G) 23 Depletion (attach schedule) 24 Advertising 25 (a) Pension, profit sharing, stock bonus, annuity plans (see instructions) (b) Other employee benefit plans (see instructions) 26 Other deductions (attach schedule) 27 TOTAL deductions in lines 12 through 26 2394.94 28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27) 100849.27 29 Less: (a) Net operating loss deduction (see instructions - attach Schedule J) (533.11) (b) Special deductions (Schedule I) 30 Taxable income (line 28 less line 29) 95516.16 </td> </tr> <tr> <td colspan="2"> TAX 31 TOTAL income tax (Schedule J) 122048.15 32 Credits: (a) Tax paid with Form 7004 application for extension (attach copy) (i) Payments and credits on 1955 declaration of estimated tax (ii) Credit from regulated investment companies (attach Form 2439) (iv) Credit for U.S. tax on non-highway gas and fuel oil (attach Form 4136) 33 If tax (line 31) is larger than credits (line 32), the balance is TAX DUE. Enter balance here → 1476.95 34 If tax (line 31) is less than credits (line 32) Enter the OVERTAXMENT here → 176 35 Enter amount of line 34 you want credited on 1957 estimated tax <small>Refund</small> </td> </tr> </table>		GROSS INCOME 1 Gross receipts or gross sales 103469.11 2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule) 3 Gross profit 4 Dividends (Schedule C) 5 Interest on obligations of the United States and U.S. instrumentalities 6 Other interest 7 Rents 8 Royalties 9 Net gains (losses) - (separate Schedule D) 10 Other income (attach schedule) 11 TOTAL income - Add lines 3 through 10 103249.21	less Returns and allowances 219.90 103249.21 DEDUCTIONS 12 Compensation of officers (Schedule E) 13 Salaries and wages (not deducted elsewhere) 14 Repairs (do not include cost of improvements or capital expenditures) 15 Bad debts (Schedule F if reserve method is used) 16 Rents 17 Taxes (attach schedule) 18 Interest 19 Contributions (attach schedule - see instructions for limitation) 20 Losses by fire, storm, shipwreck, other casualty, or theft (attach schedule) 21 Amortization (attach schedule) 22 Depreciation (Schedule G) 23 Depletion (attach schedule) 24 Advertising 25 (a) Pension, profit sharing, stock bonus, annuity plans (see instructions) (b) Other employee benefit plans (see instructions) 26 Other deductions (attach schedule) 27 TOTAL deductions in lines 12 through 26 2394.94 28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27) 100849.27 29 Less: (a) Net operating loss deduction (see instructions - attach Schedule J) (533.11) (b) Special deductions (Schedule I) 30 Taxable income (line 28 less line 29) 95516.16	TAX 31 TOTAL income tax (Schedule J) 122048.15 32 Credits: (a) Tax paid with Form 7004 application for extension (attach copy) (i) Payments and credits on 1955 declaration of estimated tax (ii) Credit from regulated investment companies (attach Form 2439) (iv) Credit for U.S. tax on non-highway gas and fuel oil (attach Form 4136) 33 If tax (line 31) is larger than credits (line 32), the balance is TAX DUE . Enter balance here → 1476.95 34 If tax (line 31) is less than credits (line 32) Enter the OVERTAXMENT here → 176 35 Enter amount of line 34 you want credited on 1957 estimated tax <small>Refund</small>	
GROSS INCOME 1 Gross receipts or gross sales 103469.11 2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule) 3 Gross profit 4 Dividends (Schedule C) 5 Interest on obligations of the United States and U.S. instrumentalities 6 Other interest 7 Rents 8 Royalties 9 Net gains (losses) - (separate Schedule D) 10 Other income (attach schedule) 11 TOTAL income - Add lines 3 through 10 103249.21	less Returns and allowances 219.90 103249.21 DEDUCTIONS 12 Compensation of officers (Schedule E) 13 Salaries and wages (not deducted elsewhere) 14 Repairs (do not include cost of improvements or capital expenditures) 15 Bad debts (Schedule F if reserve method is used) 16 Rents 17 Taxes (attach schedule) 18 Interest 19 Contributions (attach schedule - see instructions for limitation) 20 Losses by fire, storm, shipwreck, other casualty, or theft (attach schedule) 21 Amortization (attach schedule) 22 Depreciation (Schedule G) 23 Depletion (attach schedule) 24 Advertising 25 (a) Pension, profit sharing, stock bonus, annuity plans (see instructions) (b) Other employee benefit plans (see instructions) 26 Other deductions (attach schedule) 27 TOTAL deductions in lines 12 through 26 2394.94 28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27) 100849.27 29 Less: (a) Net operating loss deduction (see instructions - attach Schedule J) (533.11) (b) Special deductions (Schedule I) 30 Taxable income (line 28 less line 29) 95516.16				
TAX 31 TOTAL income tax (Schedule J) 122048.15 32 Credits: (a) Tax paid with Form 7004 application for extension (attach copy) (i) Payments and credits on 1955 declaration of estimated tax (ii) Credit from regulated investment companies (attach Form 2439) (iv) Credit for U.S. tax on non-highway gas and fuel oil (attach Form 4136) 33 If tax (line 31) is larger than credits (line 32), the balance is TAX DUE . Enter balance here → 1476.95 34 If tax (line 31) is less than credits (line 32) Enter the OVERTAXMENT here → 176 35 Enter amount of line 34 you want credited on 1957 estimated tax <small>Refund</small>					

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

**CORPORATE
STAMP**

John J. Moran & Associates, Inc.
ANTHONY DISORBO, Vice President
 1712 BROADWAY, NEW YORK 16

GOVERNMENT EXHIBIT 5 — Tax Return Form 1120.

Form 1120 (1966)

Schedule A—COST OF GOODS SOLD (See Instruction 2)

1 Inventory at beginning of year	
2 Merchandise bought for manufacture or sale	
3 Salaries and wages	
4 Other costs (attach schedule)	
5 Total	
6 Less inventory at end of year	
7 Cost of goods sold—Enter on line 2, page 1	

Method of inventory valuation

Schedule C—DIVIDENDS RECEIVED (See Instruction 3)

- 1 Domestic corporations subject to 55% deduction
- 2 Certain preferred stock of public utilities
- 3 Foreign corporations subject to 85% deduction
- 4 Other dividends from foreign corporations
- 5 Income from controlled foreign corporations
(attach Form 3546)
- 6 Foreign dividend gross up (section 78)
- 7 Qualifying dividends from affiliated groups
(section 243(b))
- 8 Other
- 9 Total—Enter on line 4, page 3

Schedule E—COMPENSATION OF OFFICERS (See page 5 of Instructions)

1 Name, address and social security number of officer	2 Title	3 Line 1. Percentage of corporation controlled by officer or his family	4 Chamber of Commerce	5 Amount of compensation	6 Expenses paid by officer
Marien E. Kolakowski 019-03-9281 Pres Tread	None	50%			
Mary Z. Kolakowski 108-09-3077 V-Pres	None	50%			
RDI Cliford Dr.					
Ballston Lake, New York					

Total compensation of officers—Enter here and on line 12, page 1

Schedule F—BAD DEPTS—RESERVE METHOD (See Instruction 15)

1 Year	2 Trade notes and accounts receivable outstanding at end of year	3 Salesmen account	Amount added to reserve			
			4 Current year's provision	5 Increases	6 Amount charged against reserve	7 Reserve for bad debts at end of year
1961						
1962						
1953						
1964						
1965						
1966						

Schedule G—DEPRECIATION (See Instruction 22)

Taxpayers using Revenue Procedure 62-21. Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4.

1 Gross and guideline class or description of property	2 Date acquired	3 Cost or other basis	4 Depreciation accrued at end of year	5 Straight-line computing depreciation	6 Other rate	7 Depreciable for taxpayer
1 Total additional first year depreciation (do not include in items below)						
Buildings						
Furniture and fixtures						
Transportation equipment						
Machinery and other equipment						
Other (specify)						
2 Total						NONE
3 Less amount of depreciation claimed in Schedule A and elsewhere on return						NONE
4 Balance—Enter here and on line 22, page 1						

Schedule H—SUMMARY OF DEPRECIATION

1 Under Rev. Proc. 62-21	2 Straightline	3 Carrying balance	4 Sum of the years digits	5 Units of production	6 Additional first year (see line 15)	7 Other (specify)	8 Total
2 Other							

N.D.C.P.

GOVERNMENT EXHIBIT 5 - Tax Return Form 1120.

Form 1120 (1956)

Schedule B—NET OPERATING LOSSES

1 (a) 25 percent of line 1, Schedule C	
(b) 60-208 percent of line 2, Schedule C	
(c) 85 percent of line 3, Schedule C	
2 Total (not to exceed 25 percent of line 2B, page 2, less the sum of lines 3 and 5 of this schedule). (The 85 percent limitation does not apply to a year in which a net operating loss occurs.)	
3 100 percent of line 7, Schedule C	
4 Dividends paid on certain preferred stock of public utilities (see instructions in case of net operating loss).	
5 Western Hemisphere trade corporations (not allowable in year of net operating loss)	
6 Total special deductions. Add lines 2 through 5. Enter here and on line 2D(n), page 1.	

Schedule J—TAX COMPUTATION

1 Taxable income (line 30, page 1)	647.95
2 Surtax exemption (line 1, \$25,000, or amount apportioned under section 1561, whichever is lesser)	647.95
3 Line 1 less line 2	647.95
4 (a) 22 percent of line 1	146.95
(b) 26 percent of line 3	
(c) If multiple surtax exemption is elected under section 1562, enter 6 percent of line 2	
5 Income tax (line 4, or line 26 of separate Schedule D, whichever is lesser)	146.95
6 Foreign tax credit (attach Form 1118)	
7 Line 5 less line 6	146.95
8 Investment credit (attach Form 3468)	
9 Line 7 less line 8	146.95
10 Tax under section 541 of the Internal Revenue Code (attach Schedule 1120 PH)	
11 Tax from recomputing prior year investment credit (attach computation)	
12 Total tax—Add lines 9, 10, and 11. Enter here and on line 31, page 1.	146.95

H Date Incorporated 11/15

- I (1) Did the corporation at the end of the taxable year own directly or indirectly 50 percent or more of the voting stock of a domestic corporation? Yes No
- (2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50 percent or more of the corporation's voting stock? Yes No
- (For rules of attribution, see section 267(c))
- If the answer to (1) or (2) is "Yes," attach a schedule showing:
- name, address, and identifying number; and
 - percentage owned.
- If the answer to (1) above is "Yes," include the taxable income (or loss) of such corporation for the taxable year ending with or within your taxable year.

- J Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? Yes No
- If "Yes," see Inst. K. Enter amount here.

- K Did you at any time during the year own directly or indirectly any stock of a foreign corporation? Yes No
- If "Yes," attach statement required by instruction N.

L Amount of taxable income (or loss) for 1963 **NONE**
1964 **NONE** 1965 **(633.1)**

- M Did you claim a deduction for expenses connected with:
- A hunting lodge , working ranch or farm , fishing camp , resort property , pleasure boat or yacht , or other similar facility (Other than where the operation of the facility was the principal business). Yes No
 - The leasing, renting, or ownership of a hotel room or suite , apartment , or other dwelling which was used by customers or employees or members of their families? (Other than use by employers while in business travel status). Yes No
 - The attendance of your employees, families at conventions or business meetings? Yes No

(4) Vacations for employees or members of their families
(Other than amount reported on Form W-2) Yes No

N Refer to page 7 of instructions and state the:

Principal business activity

Realty Corporation

Principal product or service

Agency

- O Were you a member of a controlled group subject to the provisions of section 1561? Yes No (See section 1527)

Yes No

If "Yes," check type of relationship:

- parent subsidiary
- brother-sister
- combination of (1) and (2) (see section 1563)

- P Were you liable for filing Forms 1096 and 1099 or 1027 for the calendar year 1966? Yes No

If "Yes," where were they filed? **Albany, N.Y.**

- Q Did you make distributions during the taxable year?

- (1) that are not considered wholly taxable as dividends to shareholders because of insufficient earnings and profits, or (2) in a section 333 liquidation where shareholders are taxed on their pro rata share of earnings and profits? Yes No
(See sections 316, 303, and 333). If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

- R Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory? Yes No
If "Yes," attach explanation.

- S Were you a U.S. shareholder of any controlled foreign corporation? Yes No (See sections 911 and 917). If "Yes," attach Form 3646 for each such corporation.

GOVERNMENT EXHIBIT 5 - Tax Return Form 1120.

Form 1120 (1961)

Page 4

Schedule E—BALANCE SHEETS		Beginning of taxable year	End of taxable year		
	ASSETS	(A) Amount	(B) Total	(C) Amount	(D) Total
1 Cash		418.21.61		12740.21	
2 Trade notes and accounts receivable					
(a) Less allowance for bad debts					
3 Inventories					
4 Gov't obligations (a) U.S. and instrumentalities					
(b) State, subdivisions thereof, etc.					
5 Other current assets (attach schedule)					
6 Loans to stockholders					
7 Mortgage and real estate loans					
8 Other investments (attach schedule)					
9 Buildings and other fixed depreciable assets					
(a) Less accumulated depreciation					
10 Depletable assets					
(a) Less accumulated depletion					
11 Land (net of any amortization)					
12 Intangible assets (amortizable only)					
(a) Less accumulated amortization					
13 Other assets (attach schedule) <i>Suppl. 1</i>	on hand	179.74		179.74	
14 Total assets		5001.35		12919.95	
LIABILITIES AND CAPITAL					
15 Accounts payable (Column 5 less 14)				4598.84	
16 Mtges., notes, bonds payable in less than 1 yr.				1416.95	
17 Other current liabilities (attach schedule)					
18 Loans from stockholders					
19 Mtges., notes, bonds payable in 1 yr. or more					
20 Other liabilities (attach schedule) <i>Suppl. 1</i>	Taxes Payable	68.04		186.24	
21 Capital stock: (a) Preferred stock					
(b) Common stock		5466.42		5466.42	
22 Paid-in or capital surplus (attach reconciliation)					
23 Retained earnings—Appropriated (attach sch.)					
24 Retained earnings—Unappropriated		(533.11)		521.00	
25 Less cost of treasury stock					
26 Total liabilities and capital		5201.35		12919.95	

Schedule M-2—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1 Net income per books	1054.11	7 Income recorded on books this year not included in this return (itemize)	
2 Federal income tax	146.95	(a) Nontaxable interest \$	
3 Excess of capital losses over capital gains		(b) Capital gains \$	
4 Taxable income not recorded on books this year (itemize)		(c) Deductions in this tax return not charged against book income this year (itemize)	
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation \$	
(a) Depreciation \$		(b) Depletion \$	
(b) Depletion \$		(c) Other \$	
6 Total of lines 1 through 5	1201.06	8 Total of lines 7 and 8	
7 Income (line 28, page 1) — line 6 less 9	1201.06	10 Income (line 28, page 1) — line 6 less 9	1201.06

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (Line 24, page 1)

1 Balance at beginning of year	(533.11)	5 Distributions: (a) Cash	
2 Net income per books	1054.11	(b) Stock	
3 Other increases (itemize)		(c) Property	
4 Total of lines 1, 2, and 3	521.00	6 Other decreases (itemize)	
7 Total of lines 5 and 6			
8 Balance at end of year (line 4 less 7)	521.00	9 Total of lines 7 and 8	521.00

Form 1120 (1961) Schedule M-2—Page 2

GOVERNMENT EXHIBIT 5 - Tax Return Form 1120.

Prestige Realty of the Capital District Corp.
1011 STATE STREET
Schenectady, New York

Other Deductions
1967

Salesmen's Commissions	54571.91
Bank Charges	855.00
Credit Reports	7.08
Board Services	571.46
Office Expense	2906.91
Auto Expense	1300.41
Insurances	1917.85
Dues	371.55
NYC Unemployment Insurance	1041.40
Sales Promotion	198.10
Workman's Compensation	453.00
NYS Franchise Tax	25.00
License fees	8.00
Accounting	150.00
DBL Insurance	53.94
FICA Tax Expense	184.00
Commission Expenses Paid	21543.27
Miscellaneous Expenses	223.37
Gifts, Parties, etc.	311.10
	<u>85553.28</u>

O. Acc't.
/AY
Y. 12306



DISTRICT DIRECTOR
INTERNAL REVENUE SERVICE
ALBANY, NEW YORK 12201

GOVERNMENT EXHIBIT 6 — Tax Return Form 1120.

1120

U.S. Treasury Department
Internal Revenue ServiceU.S. Corporation Income Tax Return
For calendar year 1967 or other taxable year beginning
NOV. 1 1967, ending OCTOBER 31 1968
(PLEASE TYPE OR PRINT)

1967

Check one:
 A Small corporation, if applicable, attach
 Statement of Assets and Liabilities
 before it is determined whether
 corporation or sole proprietorship.
 C Corporation status
 D Partnership filing
 E Business office not in country
 City, State, and ZIP code
 6591

E Employer identification No.

14-1491053

F County in which located

SCHENECTADY

G Enter total assets from line

14 above (D, Schedule L)

See instructions

1434705160000

GROSS INCOME	1 Gross receipts or gross sales 207815.51	Less Returns and allowances 486.00	207329.51
	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)		101721.93
	3 Gross profit		105597.58
	4 Dividends (Schedule C)		
	5 Interest on obligations of the United States and US instrumentalities		
	6 Other interest		
	7 Gross rents		
	8 Gross royalties		
	9 Net gains (losses)—(separate Schedule D)		
	10 Other income (attach schedule)		
	11 TOTAL income—Add lines 3 through 10	14 14 of Federal Tax	105597.58
DEDUCTIONS	12 Compensation of officers (Schedule E)	Albany, NY	18541.51
	13 Salaries and wages (not deducted elsewhere)		3864.10
	14 Repairs (do not include capital expenditures)		75.00
	15 Bad debts (Schedule F if reserve method is used)		
	16 Rents		2550.00
	17 Taxes (attach schedule)		38.11
	18 Interest		
	19 Contributions (attach schedule—see instructions for limitations)		
	20 Casualty or theft losses (attach schedule)		
	21 Amortization (attach schedule)		
	22 Depreciation (Schedule G)		
	23 Depletion (attach schedule)		
	24 Advertising		
	25 (a) Pension, profit sharing, stock bonus, annuity plans (attach Form 2950) (b) Other employee benefit plans (see instructions)		
	26 Other deductions (attach schedule)		
	27 TOTAL deductions on lines 22 through 26		30619.15
	28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)		72990.54
	29 Less: (a) Net operating loss deduction (see instructions—attach schedule) (b) Special deductions (Schedule I)		32607.04
	30 Taxable income (line 28 less line 29)		32607.04

TAX	31 TOTAL income tax (Schedule J)	9913.27
	32 Credits: (a) Tax deposited—Form 2004 application for extension (attach copy)	
	(b) 1967 estimated tax payments (include 1966 overpayment allowed as a credit)	
	(c) Credit from regulated investment companies (attach Form 2439)	
	(d) Credit for U.S. tax on nonhighway gas and tube oil (attach Form 4136)	
	33 If tax (line 31) is larger than credits (line 32), the balance is TAX DUE. See inst. G for Tax Deposit System	9912.99
	34 If tax (line 31) is less than credits (line 32) Enter the OVERPAYMENT here	
	35 Enter amount of line 34 you want credited to 1968 estimated tax	Retained

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. If prepared by a person other than taxpayer, this declaration is based on all information of which he has knowledge.

CORPORATE
SEAL

Date

1967 *Anthony D. Sorbo*
Signature

Individual or corporate signature of taxpayer

ANTHONY D. SORBO, Ac't.

1713 BROADWAY

SCHENECTADY, N.Y. 12306

34

GOVERNMENT EXHIBIT 6 - Tax Return Form 1120.

Schedule A—COST OF GOODS SOLD (See instruction 2)							Page 2	
1. Inventory at beginning of year		10019.91	2. Goods bought for manufacture or sale	SALES COMMISSIONS 82659.42	3. Foreign corporations subject to 25% deduction	Schedule C—DIVIDENDS (See instruction 4)		
2. Goods bought for manufacture or sale	SALES COMMISSIONS 82659.42	10019.91	4. Dividends from wholly owned foreign subsidiaries subject to 10% deduction (section 145(b))	5. Other dividends from foreign corporations	6. Income from controlled foreign corporations (attach Form 36(6))			
3. Less sales (attach schedule)	OTM&B BROKERS 9022.60	82659.42	7. Foreign dividend gross up (section 78)	8. Qualifying dividends from affiliated groups (section 243(b))	9. Other			
4. Total	101731.93	9022.60	10. Total—Enter here and on line 4, page 1					
Method of inventory valuation								
Schedule E—COMPENSATION OF OFFICERS (See instruction 12)								
1. Name, address, and social security number of officer	2. Title	3. Time period to which claim relates	4. Percent of compensation claimed	5. Standard compensation	6. Expenses claimed	7. Expenses claimed		
MARY Z. KOLAKOWSKI 107-03-9228 Pres	1070 50	Jan 1 to Dec 31	5437.71	—	—	—		
MARY Z. KOLAKOWSKI 108-09-3099 V-Pres	10000 50	Jan 1 to Dec 31	10000	—	—	—		
WALTER R. DROMS 074-03-1531 Treas	ALL Name	1/3/03-30	18541.51	—	—	—		
Total compensation of officers—Enter here and on line 12, page 1								
Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)								
1. Trade notes and amounts to which outstanding obligations	2. Reserve account	3. Current year's provision	4. Amount added to reserve	5. Recovery	6. Amount charged against reserve	7. Reserve for bad debts at end of year		
MZ								
MZ								
MZ								
MZ								
MZ								
MZ								
Schedule G—DEPRECIATION (See instructions for Schedule G)								
Taxpayers using Revenue Procedures 62-23 and 65-17. Make no entry in column 1. Enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4.								
1. Group and guideline class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation claimed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year		
1. Total additional first year depreciation (do not include in items below)								
Buildings								
Furniture and fixtures	1967-68	9242.94 603P 6000.00 145% MACRS	34	3yr	2000.00			
Transportation equipment	1/68	1014.90	SL	10yr	101.49			
Machinery and other equipment								
Other (specify)								
2. Totals						2101.49		
3. Total amount of depreciation claimed in Schedule A and elsewhere on return								
4. Balance—Enter here and on line 22, page 1 2101.49								
Schedule H—SUMMARY OF DEPRECIATION								
1. Under Rev. Proc. 67-21 and 65-17	2. Other	3. Straight-line	4. Declining balance	5. Sum of the years' digits	6. Units of production	7. Additional first year (see line 1, 3)	8. Other (specify)	9. Total
1. Under Rev. Proc. 67-21 and 65-17	2. Other							

GOVERNMENT EXHIBIT 6 - Tax Return Form 1120.

Form 1120 (1967)	Schedule L—BALANCE SHEETS				Page 4	
	Beginning of taxable year	(A) Amount	(B) Total	End of taxable year	(C) Amount	(D) Total
ASSETS						
1 Cash			12740.21		6910.00	23581.42
2 Trade notes and accounts receivable						
(a) Less allowance for bad debts						
3 Inventories						
4 Gov't obligations (a) U.S. and instrumentalities						
(b) State, subdivisions thereof, etc.						
5 Other current assets (attach schedule)						
6 Loans to stockholders						
7 Mortgage and real estate loans						
8 Other investments (attach schedule)						
9 Buildings and other fixed depreciable assets			10857.84			
(a) Less accumulated depreciation			2101.49			8756.35
10 Depletable assets						
(a) Less accumulated depletion						
11 Land (net of any amortization)						
12 Intangible assets (amortizable only)						
(a) Less accumulated amortization						
13 Other assets (attach schedule)	Supplies		179.74			179.74
14 Total assets			12919.95			39427.51
LIABILITIES AND CAPITAL						
15 Accounts payable	COMMISSIONS		6598.84			
16 Mtges., notes, bonds payable in less than 1 yr.			16.95			9997.04
17 Other current liabilities (attach schedule)						
18 Loans from stockholders			186.74			750.00
19 Mtges., notes, bonds payable in 1 yr. or more						
20 Other liabilities (attach schedule)			5466.42			5466.42
21 Capital stock (a) Preferred stock						
(b) Common stock						
22 Paid in or capital surplus (attach reconciliation)			521.00			23214.05
23 Retained earnings—Appropriated (attach sch.)						
24 Retained earnings—Unappropriated						
25 Less cost of treasury stock						
26 Total liabilities and capital			12919.95			39427.51
Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN						
1 Net income per books	22693.05		7 Income recorded on books this year not included in this return (itemize)			
2 Federal income tax	9913.99		(a) Tax-exempt interest \$			
3 Excess of capital losses over capital gains						
4 Taxable income not recorded on books this year (itemize)						
5 Expenses recorded on books this year not deducted in this return (itemize)			8 Deductions in this tax return not charged against book income this year (itemize)			
(a) Depreciation \$			(a) Depreciation \$			
(b) Depletion \$			(b) Depletion \$			
6 Total of lines 1 through 5	72607.04		9 Total of lines 7 and 8			
			10 Income (line 28, page 1)—line 6 less 9			32607.04
Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24, page 4)						
1 Balance at beginning of year	521.00		5 Distributions (a) Cash			
2 Net income per books	22693.05		(b) Stock			
3 Other increases (itemize)			(c) Property			
4 Total of lines 1, 2, and 3	23214.05		6 Other decreases (itemize)			
			7 Total of lines 5 and 6			
			8 Balance at end of year (line 4 less 7)			23214.05

GOVERNMENT EXHIBIT 6 - Tax Return Form 1120.

PRESTIGE REALTY OF THE CAPITOL DISTRICT CORP
1011 State St. SCHENECTADY N.Y.
FISCAL YEAR - Nov 1, 1967 ~ Oct 31, 1968 #14-1491255

Form 1120.

Page 1, Line 26.

Legal & Accounting Costs	1325.50
INSURANCES	1883.66
Sales Cars Maintenance	5216.07
Sales Promotion, Entertainment & Travel	6396.62
MISCELLANEOUS COSTS	1149.58
OFFICE COSTS	9191.92
DUES & SUBSCRIPTIONS	1367.28
LICENSES	139.00
REALTY BOARD COMMISSIONS	727.28
REALTY BOARD SERVICES	463.50
BANK CHARGES & FHA APPLICATIONS	2335.00
FICA TAX EXPENSE	423.74
	<u>30619.15</u>

Page 4a

LINE 17 ... INCOME TAX PAYABLE	991399
PAYROLL TAXES PAYABLE	13.05
ESCROW PAYABLE	<u>70.00</u>
	<u>9997.04</u>

LINE 20 ... LEGAL COSTS PAYABLE	<u>750.00</u>
---------------------------------	---------------

GOVERNMENT EXHIBIT 6 — Tax Return Form 1120.

Form 1120-FY U.S. Treasury Department Internal Revenue Service	Corporation Fiscal Year Tax Computation Schedule	FY 1967-68
--	---	-----------------------

To be used instead of the Tax Computation Schedule on Forms 1120, 1120-F, 990-C, and 990-T (Trusts see page 2)

Name <u>Prestige Realty of the Capitol District Corp.</u>	Employer Identification No. <u>14-1491255</u>
Number and street <u>1011 State Street</u>	
City or town, State, and ZIP code <u>Schenectady, New York 12307</u>	

Taxable year beginning November 1, 1967, and ending October 31, 1968

1. Taxable income	<small>{ 1120, page 1, line 30 - 1120-F, page 3, line 30 990-C, page 1, line 32 990-T, page 2, line 31 }</small>	<i>DED WITH DEFERRED PAYMENT</i>	32607.04
2. Surtax exemption (line 1, \$25,000, or amount apportioned under section 1561, whichever is lesser)			25000.00
3. Line 1 less line 2			<u>7607.04</u>
4. (a) 22% of line 1	<i>14 JAN. 1 1968</i>	7173.55	
(b) 26% of line 3	<i>D</i>	1977.83	
(c) If multiple surtax exemption is elected under section 1562, enter 6% of line 2	<i>Albany, N. Y.</i>		<u>9151.38</u>
5. (a) Income tax (line 4 or line 26 of separate Schedule D, whichever is lesser)		9151.38	
(b) Tax Surcharge—Multiply line 5(a) by the applicable rate in instruction 4		762.61	<u>9913.99</u>
6. Foreign tax credit (attach Form 1118)—See instruction 5			<u>9913.99</u>
7. Line 5 less line 6			<u>9913.99</u>
8. Investment credit (attach Form 3468)—See instruction 5			<u>9913.99</u>
9. Line 7 less line 8			<u>9913.99</u>
10. (a) Personal holding company tax (attach Schedule 1120 PH)			
(b) Tax Surcharge—Multiply line 10(a) by the applicable rate in instruction 4			
11. Tax from recomputing a prior year investment credit (attach computation)			
12. Total tax—Add lines 9, 10, and 11. Enter <small>{ 1120, page 1, line 31 1120-F, page 1, line 2 (disregard line 3) 990-C, page 1, line 33 990-T, page 1, line 18 }</small>			<u>9913.99</u>

NOTE: Corporations which have filed their income tax return without considering the tax surcharge, complete lines 13 and 14 to determine the additional tax due (additional liability arising from the surcharge). See instruction 1.

13. Total tax liability shown on return as previously filed (Specify type return you filed)	<small>{ <input type="checkbox"/> 1120, page 1, line 31 <input type="checkbox"/> 1120-F, page 1, sum of lines 2 and 3 <input type="checkbox"/> 990-C, page 1, line 33 <input type="checkbox"/> 990-T, page 1, line 18 }</small>	
14. Additional tax due—Line 12 less line 13		

If you have filed your return without considering the surcharge, have you applied for a refund as a result of the carryback of an unused investment credit or foreign tax credit? Yes No If "Yes," check the type form you filed. Form 1139 , Form 843 , Amended return (specify)

No signature necessary if this form is attached to your income tax return

Under penalties of perjury, I declare that I have examined this form, including any accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If prepared by a person other than taxpayer, his declaration is based on all information of which he has any knowledge.

COPORATE SEAL	Date _____	Signature of officer _____	Title _____
	Date _____	Individual or firm signature of preparer _____	Address _____

GOVERNMENT EXHIBIT 6 - Tax Return Form 1120

Fiscal Year Tax Computation Schedule for Trusts Filing Form 990-T (Trusts taxable at individual rates)

1. Unrelated business taxable income (line 31, page 2 of Form 990-T)	
2. Tax computed on amount on line 1 (from Tax Rate Schedule in instruction 6)	
3. If alternative tax computation is made in a separate statement, enter such tax here	
4. Line 2 or line 3, whichever is lesser	
5. Tax Surcharge—Multiply line 4 by the applicable rate in instruction 7	
6. Total income tax (line 4 plus line 5)	
7. Less: (a) Foreign tax credit (attach Form 1116)	
(b) Investment credit (attach Form 3468)	
8. Line 6 less line 7	
9. Tax from recomputing a prior year investment credit (attach computation)	
10. Total income tax (line 8 plus line 9). Enter here and on line 18, page 1 of Form 990-T	

1. Who must use Form 1120-FY.—Corporations with taxable years beginning in 1967 and ending in 1968 and trusts taxable at individual rates with taxable years beginning in 1967 and ending after March 31, 1968 must use this form instead of the Tax Computation Schedule on Forms 1120, 1120-F, 990-C, and 990-T.

Form 1120-FY must be attached to your income tax return. Taxpayers which have filed their return without considering the surcharge do not have to file an amended return but must complete Form 1120-FY and send it to Internal Revenue at the time they pay their additional tax due (see instruction 2).

2. Due date for payment of Tax Surcharge.—Taxpayers with taxable years ending before June 30, 1968, have until September 16, 1968, to pay the additional tax arising from the tax surcharge. (Taxpayers with taxable years ending June 30 and later must pay the entire amount of tax due, including the surcharge, by the regular due date.)

The additional liability will not necessarily be the exact amount of the tax surcharge. For some taxpayers, the surcharge will increase the investment credit or foreign tax credit. In such cases, the additional liability will be less than the amount of the surcharge.

Corporations must deposit the additional tax with an authorized commercial bank or a Federal Reserve Bank. A Federal Tax Deposit Form 503 must accompany this deposit.

In the case of corporations electing to pay their final tax in two installments, if the first installment is due before September 16 and the second installment is due after that date, one-half of the additional tax arising from the surcharge must be paid by September 16. The remaining one-half due is to be paid as part of the second installment on the due date for that installment. (This will apply only to those taxable years ending on April 30 or May 31, 1968.)

3. Trusts filing Form 990-T.—Trusts taxable at individual rates use the tax computation schedule above.

4. Tax Surcharge for Corporations.—The 10% tax surcharge for corporations is effective January 1, 1968. The surcharge may be computed using the following formula:

Amount on lines 5(a) & 10(a) \times 10% \times No. days in taxable year after 12/31/67 / No. days in taxable year

At the option of the corporation, the surcharge may be computed by multiplying lines 5(a) and 10(a) by the applicable rate in the following table.

Taxable Year		Applicable rate
Beginning in 1967	Ending in 1968	
Feb. 1	Jan. 31	0.04445
Mar. 1	Feb. 29	0.04444
Apr. 1	Mar. 31	0.04433
May 1	Apr. 30	0.04421
June 1	May 31	0.043305
July 1	June 30	0.047278
Aug. 1	July 31	0.047172
Sept. 1	Aug. 31	0.046667
Oct. 1	Sept. 30	0.046667
Nov. 1	Oct. 31	0.046667
Dec. 1	Nov. 30	0.046667

Corporations having a 52-53 week taxable year must use the formula to compute their surcharge.

5. Computation of investment credit and foreign tax credit.—In determining the limitation on the amount of the allowable investment credit and foreign tax credit, the term "tax" includes the amount of tax surcharge shown on line 5.

Taxpayers which have filed their return without considering the surcharge do not have to attach Form 1118 or 3468 unless the credit has increased as a result of the tax surcharge.

6. Tax Rate Schedule for Trusts Taxable at Individual Rates

Net amount on line 1 is:	Enter on line 2:
Net over \$500	14% of the amount on line 1
Over	
\$500 but not over \$1,000	\$70 + 15% of excess over \$500
\$1,000 but not over \$1,500	\$145 + 15% of excess over \$1,000
\$1,500 but not over \$2,000	\$225 + 15% of excess over \$1,500
\$2,000 but not over \$3,000	\$310 + 15% of excess over \$2,000
\$3,000 but not over \$5,000	\$580 + 22% of excess over \$2,000
\$5,000 but not over \$8,000	\$1,130 + 22% of excess over \$3,000
\$8,000 but not over \$10,000	\$1,630 + 22% of excess over \$5,000
\$10,000 but not over \$12,000	\$2,130 + 22% of excess over \$8,000
\$12,000 but not over \$14,000	\$2,630 + 22% of excess over \$12,000
\$14,000 but not over \$16,000	\$3,130 + 22% of excess over \$14,000
\$16,000 but not over \$18,000	\$3,630 + 22% of excess over \$16,000
\$18,000 but not over \$20,000	\$4,130 + 22% of excess over \$18,000
\$20,000 but not over \$22,000	\$4,630 + 22% of excess over \$20,000
\$22,000 but not over \$24,000	\$5,130 + 22% of excess over \$22,000
\$24,000 but not over \$26,000	\$5,630 + 22% of excess over \$24,000
\$26,000 but not over \$28,000	\$6,130 + 22% of excess over \$26,000
\$28,000 but not over \$30,000	\$6,630 + 22% of excess over \$28,000
\$30,000 but not over \$32,000	\$7,130 + 22% of excess over \$30,000
\$32,000 but not over \$34,000	\$7,630 + 22% of excess over \$32,000
\$34,000 but not over \$36,000	\$8,130 + 22% of excess over \$34,000
\$36,000 but not over \$38,000	\$8,630 + 22% of excess over \$36,000
\$38,000 but not over \$40,000	\$9,130 + 22% of excess over \$38,000
\$40,000 but not over \$42,000	\$9,630 + 22% of excess over \$40,000
\$42,000 but not over \$44,000	\$10,130 + 22% of excess over \$42,000
\$44,000 but not over \$46,000	\$10,630 + 22% of excess over \$44,000
\$46,000 but not over \$48,000	\$11,130 + 22% of excess over \$46,000
\$48,000 but not over \$50,000	\$11,630 + 22% of excess over \$48,000
\$50,000 but not over \$52,000	\$12,130 + 22% of excess over \$50,000
\$52,000 but not over \$54,000	\$12,630 + 22% of excess over \$52,000
\$54,000 but not over \$56,000	\$13,130 + 22% of excess over \$54,000
\$56,000 but not over \$58,000	\$13,630 + 22% of excess over \$56,000
\$58,000 but not over \$60,000	\$14,130 + 22% of excess over \$58,000
\$60,000 but not over \$62,000	\$14,630 + 22% of excess over \$60,000
\$62,000 but not over \$64,000	\$15,130 + 22% of excess over \$62,000
\$64,000 but not over \$66,000	\$15,630 + 22% of excess over \$64,000
\$66,000 but not over \$68,000	\$16,130 + 22% of excess over \$66,000
\$68,000 but not over \$70,000	\$16,630 + 22% of excess over \$68,000
\$70,000 but not over \$72,000	\$17,130 + 22% of excess over \$70,000
\$72,000 but not over \$74,000	\$17,630 + 22% of excess over \$72,000
\$74,000 but not over \$76,000	\$18,130 + 22% of excess over \$74,000
\$76,000 but not over \$78,000	\$18,630 + 22% of excess over \$76,000
\$78,000 but not over \$80,000	\$19,130 + 22% of excess over \$78,000
\$80,000 but not over \$82,000	\$19,630 + 22% of excess over \$80,000
\$82,000 but not over \$84,000	\$20,130 + 22% of excess over \$82,000
\$84,000 but not over \$86,000	\$20,630 + 22% of excess over \$84,000
\$86,000 but not over \$88,000	\$21,130 + 22% of excess over \$86,000
\$88,000 but not over \$90,000	\$21,630 + 22% of excess over \$88,000
\$90,000 but not over \$92,000	\$22,130 + 22% of excess over \$90,000
\$92,000 but not over \$94,000	\$22,630 + 22% of excess over \$92,000
\$94,000 but not over \$96,000	\$23,130 + 22% of excess over \$94,000
\$96,000 but not over \$98,000	\$23,630 + 22% of excess over \$96,000
\$98,000 but not over \$100,000	\$24,130 + 22% of excess over \$98,000

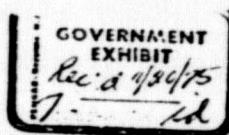
7. Tax Surcharge for trusts taxable at individual rates.—The 10% tax surcharge for trusts taxable at individual rates is effective April 1, 1968. The tax surcharge may be computed by multiplying line 4 by the applicable rate in the following table:

Taxable Year		Applicable rate
Beginning in 1967	Ending in 1968	
May 1	Apr. 30	0.015672
June 1	May 31	0.016667
July 1	June 30	0.016667
Aug. 1	July 31	0.033333
Sept. 1	Aug. 31	0.041667
Oct. 1	Sept. 30	0.041667
Nov. 1	Oct. 31	0.041667
Dec. 1	Nov. 30	0.041667

Trusts which have filed their return without considering the surcharge must complete Form 1120-FY and send it to Internal Revenue when they pay their additional tax due on September 16, 1968.

GOVERNMENT EXHIBIT 7 - Tax Return Form 1120.

Form 1120

Department of the Treasury
Internal Revenue Service

U.S. Corporation Income Tax Return 06601000
 For calendar year 1969 or other taxable year beginning
NOV. 1, 1969, ending OCT. 31, 1969
 (PLEASE TYPE OR PRINT)

Check if a—

A Consolidated return PESTLAGE REALTY OF THE CAPITAL DISTRICT CORP.
 1011 STATE STREETB Personal Holding Co. C Business Code No. (See page 7 of Instructions)

6591

D Employer Identification No.

14-1436255

E County in which located

SCHENECTADY

F Enter total assets from line 14, column (D), Schedule L (See Instruction B)

\$ 53143.

IMPORTANT—Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see instruction N.

1 Gross receipts or gross sales	237940.18	Less: Returns and allowances	125,00	237815.18
2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)				116727.38
3 Gross profit				121077.80
4 Dividends (Schedule C)				121362.02
5 Interest on obligations of the United States and U.S. instrumentalities				22150.75
6 Other interest				18553.10
7 Gross rents				2.67
8 Gross royalties				3025.32
9 Net gains (losses)—(separate Schedule D)				4024.28
10 Other income (attach schedule)				3101.49
11 TOTAL income—Add lines 3 through 10				20504.84
12 Compensation of officers (Schedule E)				27981.21
13 Salaries and wages (not deducted elsewhere)				98319.24
14 Repairs (do not include capital expenditures)				23042.78
15 Bad debts (Schedule F if reserve method is used)				22242.78
16 Rents				5576.35
17 Taxes (attach schedule)				
18 Interest				
19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)				
20 Casualty or theft losses (attach schedule)				
21 Amortization (attach schedule)				
22 Depreciation (Schedule G)				
23 Depletion				
24 Advertising				
25 (a) Pension, profit-sharing, stock bonus, annuity plans (attach Form 2950)				
(b) Other employee benefit plans (see instructions)				
26 Other deductions (attach schedule)				
27 TOTAL deductions on lines 12 through 26				
28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)				
29 Less: (a) Net operating loss deduction (see instructions—attach schedule)				
(b) Special deductions (Schedule I)				
30 Taxable income (line 28 less line 29)				
31 TOTAL TAX (Schedule J)				
32 Credits: (a) Tax deposited—Form 7004 application for extension (attach copy)				
(b) 1969 estimated tax payments (include 1968 overpayment allowed as a credit—do not include any "quick refund" of overpayment of 1969 estimated tax applied for on Form 4466)				
(c) Credit from regulated investment companies (attach Form 2439)				
(d) Credit for U.S. tax on nonhighway gas and lube oil (attach Form 4136)				
33 TAX DUE (line 31 less line 32). See instruction G for tax deposit system				5576.35
34 OVERPAYMENT (line 32 less line 31)				
35 Enter amount of line 34 you want Credited to 1970 estimated tax ►		Refunded ►		

For penalties or penury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than the taxpayer, his declaration is based on all information of which he has any knowledge.

CORPORATE
SEAL

2/27/70 W.S. & D. Brown

8122

GOVERNMENT EXHIBIT 7 - Tax Return Form 1120

Form 1120 (Rev. 1960)

e 2

Schedule A—COST OF GOODS SOLD (See instruction 2)	
1 Inventory at beginning of year	
2 Merchandise bought for manufacture or sale	
3 Salaries and wages	
4 Other costs (attach schedule)	112732.27
5 Total	114737.32
6 Less inventory at end of year	
7 Cost of goods sold—Enter on line 2, page 1	112732.27

Method of inventory valuation

Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory?
 Yes No If "Yes," attach explanation.

Schedule C—DIVIDENDS (See instruction 4)

- 1 Domestic corporations subject to 85% deduction
- 2 Certain preferred stock of public utilities
- 3 Foreign corporations subject to 85% deduction
- 4 Dividends from wholly owned foreign subsidiaries subject to 100% deduction (section 245(b))
- 5 Other dividends from foreign corporations
- 6 Includable income from controlled foreign corporations (Subpart F, attach Form 3645)
- 7 Foreign dividend gross up (section 78)
- 8 Qualifying dividends from affiliated groups (section 243(b))
- 9 Other

10 Total—Enter here and on line 4, page 1

Schedule E—COMPENSATION OF OFFICERS (See instruction 12)

1 Name of officer	2 Social security number	3 Title	4 Time period covered by compensation statement	5 Percentage of stock held	6 Estimated compensation	7 Expenses account number
Walter J. Dromm	074-92153	Treas.	09-31-67	--	18,000.00	
Margaret Dromm	089-776-048	Secy.	09-30-67	100%	35,000.00	

Total compensation of officers—Enter here and on line 12, page 1

221,522.47

Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)

1 Year	2 Trade debts and accounts receivable outstanding at end of year	3 Selection account	4 Current year's provision	5 Previous	6 Amount charged to reserve	7 Reserve for bad debts at end of year
1964						
1965						
1966						
1967						
1968						
1969						

Schedule G—DEPRECIATION (See instructions for Schedule G)

Taxpayers using Revenue Procedures 62-21 and 62-13. Make no entry in column 2, enter the cost on other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4.

1 Group and quality class or description of property	2 Date acquired	3 Cost after basis	4 Accumulated depreciation	5 Residual value	6 Linear rate	7 Depreciation for this year
1 Total additional first year depreciation (do not include in items below)						
Buildings						
Furniture and fixtures	1967-68	20,902.20	4,000.00	52	34%	7,000.00
Transportation equipment	1968	1014.20	101.40	54	16%	121.72
Machinery and other equipment						
Other (specify)						
2 Totals						21,014.92
3 Less amount of depreciation claimed in Schedule A and elsewhere on return						
4 Balance—Enter here and on line 22, page 1						21,014.92

Schedule H—SUMMARY OF DEPRECIATION

1 Under Rev. Proc. 62-71 & 4-65-13	2 Straight-line	3 Declining balance	4 Sum of the years' digits	5 Units of production	6 Additional first year rule (if any)	7 Other (specify)	8 Total
1 Under Rev. Proc. 62-71 & 4-65-13							
2 Other							

620-18-5-441

620-18-5-442

4 Total of lines 1, 2, and 3 1 70,620.40 8 Balance at end of year (line 4 less 7) 1 40,222.12

620-18-5-441

620-18-5-442

GOVERNMENT EXHIBIT 7 — Tax Return Form 1120.

Page 3

Form 1120, 1969

Schedule I—SPECIAL DEDUCTIONS

1 (a) 85% of line 1, Schedule C	
(b) 62 462% of line 2, Schedule C (fiscal year corporations, see page 6 of instructions)	
(c) 85% of line 3, Schedule C	
(d) 100% of line 4, Schedule C	
2 Total—May not exceed 85% of (line 2B, page 1, less the sum of lines 3 and 5 of this schedule). The 85% limitation does not apply to a year in which a net operating loss occurs	
3 100% of line 8, Schedule C	
4 Dividends paid on certain preferred stock of public utilities (see instructions)	
5 Western Hemisphere trade corporations (see instructions)	
6 Total special deductions—Add lines 2 through 5. Enter here and on line 29(b), page 1	

Schedule J—TAX COMPUTATION (Fiscal year corporations, see page 6 of instructions)

1 Taxable Income (line 30, page 1)		23042.12
2 Surtax exemption (line 1, \$25,000, or amount apportioned under section 1561, whichever is lesser)		22,316.72
3 Line 1 less line 2		---
4 (a) 22% of line 1	5069.41	
(b) 26% of line 3		
(c) If multiple surtax exemption is elected under section 1562, enter 6% of line 2		
5 (a) Income tax (line 4, or line 24 of separate Schedule C, whichever is lesser)	5069.41	33,763.5
(b) Tax Surcharge—10% of line 5(a)	5069.41	
6 Foreign tax credit (attach Form 1118)		55.76
7 Line 5 less line 6		55.76
8 Investment credit (attach Form 3468)		55.76
9 Line 7 less line 8		55.76
10 (a) Personal holding company tax (attach Schedule 1120 PH)		—
(b) Tax Surcharge—10% of line 10(a)		—
11 Tax from recomputing a prior year investment credit (attach Form 4255)		—
12 Total tax—Add lines 9, 10, and 11. Enter here and on line 31, page 1		55.76 3.5

Schedule K—RECORD OF FORM 503 FEDERAL TAX DEPOSITS (List deposits in order of date made. See instruction G)

Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount

G Date incorporated 11/16/65

H (1) Did you at the end of the taxable year own directly or indirectly 50% or more of the voting stock of a domestic corporation? Yes No (2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50% or more of your voting stock? Yes No
(For rules of attribution, see section 267(c).)If the answer to (1) or (2) is "Yes," attach a schedule showing:
(a) name, address, and identifying number; and
(b) percentage owned.

If the answer to (1) above is "Yes," also show the taxable income (or loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.

I Did you have any contracts or subcontracts subject to the Renegotiation Act of 1951? Yes No If "Yes," enter the aggregate gross dollar amount billed during the year.J Did you claim a deduction for expenses connected with: Yes No
(1) Entertainment facility (boat, resort, ranch, etc.)? Yes No (2) Living accommodations (except employees on business)? Yes No (3) Employees' families at conventions or meetings? Yes No (4) Employee or family vacations not reported on Form W-2? Yes No K Are you a U.S. shareholder (see page 6 of instructions)? Yes No

L Refer to page 7 of instructions and state the principal:

Business activity Realty SalesProduct or service Residential Homes

M Were you a member of a controlled group subject to the provisions of:

(1) Section 1561? Yes No
(2) Section 1562? Yes No

If answer to (1) or (2) is "Yes," check type of relationship:

(a) parent subsidiary
(b) brother-sister
(c) combination of (a) and (b) (See section 1563)If answer to (2) is "Yes," does section 1562(b)(1)(A) apply (nonapplication of 6% additional tax under section 1562)? Yes No N Were you liable for filing Forms 1096 and 1099 or 1087 for the calendar year 1969? Yes No If "Yes," where were they filed? AlohaO Were you a U.S. shareholder of any controlled foreign corporation? Yes No (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation.P Did you ever declare a stock dividend? Yes No Q During this taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your earnings and profits? Yes No (See sections 301 and 316.)

If "Yes," file Schedule A, Form 1025. If this is a consolidated return, enter the info for parent corporation and all Form 551, Affiliations Schedule, for each subsidiary.

4 Total of lines 1, 2, and 3 140680.02 8 Balance at end of year (line 4 less 7) 140680.02

2025 U.S. GOVERNMENT PRINTING OFFICE: 1969 14-1000-100-1

429-10-4647-3

GOVERNMENT EXHIBIT 7 - Tax Return Form 1120

Form 1120 (1969)

Schedule L--BALANCE SHEETS

Page 4

ITEM	Beginning of year		End of year	
	(A) Amount	(B) Total	(C) Amount	(D) Total
ASSETS				
1 Cash		2,358,142		2,358,142
2 Trade notes and accounts receivable				
(a) Less allowance for bad debts				
3 Inventories				
4 Govt obligations (a) U.S. and instrumentalities				
(b) State, subdivisions thereof, etc.				
5 Other current assets (attach schedule)				
6 Loans to stockholders				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9 Buildings and other fixed depreciable assets	10,857.84		10,857.84	
(a) Less accumulated depreciation	2,161.49		4,322.32	
10 Depletable assets				
(a) Less accumulated depletion				
11 Land (net of any amortization)				
12 Intangible assets (amortizable only)				
(a) Less accumulated amortization				
13 Other assets (attach schedule)		179.74		179.74
14 Total assets		39,427.51		38,148.17
LIABILITIES AND STOCKHOLDERS' EQUITY				
15 Accounts payable				
16 Mtges., notes, bonds payable in less than 1 yr.				
17 Other current liabilities (attach schedule)		9,997.04		5,576.35
18 Loans from stockholders				
19 Mtges., notes, bonds payable in 1 yr. or more		7,500.00		1419.32
20 Other liabilities (attach schedule)				
21 Capital stock (a) Preferred stock				
(b) Common stock		5,462.42		5,462.42
22 Paid in or capital surplus (attach reconciliation)				
23 Retained earnings—Appropriated (attach sch.)		2,3214.05		4,0525.42
24 Retained earnings—Unappropriated				
25 Less cost of treasury stock		(1)		
26 Total liabilities and stockholders' equity		20,427.77		20,148.17

Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1 Net income per books	17460.43	7 Income recorded on books this year not included in this return (itemize)
2 Federal income tax	5572.35	(a) Tax-exempt interest \$
3 Excess of capital losses over capital gains		
4 Taxable income not recorded on books this year (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)
5 Expenses recorded on books this year not deducted in this return (itemize)		(a) Depreciation \$
(a) Depreciation \$		(b) Depletion \$
(b) Depletion \$		
6 Total of lines 1 through 5	12,892.72	9 Total of lines 7 and 8, less 9
10 Income (line 18, page 1)—line 9 less 9		10,220.72

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1 Balance at beginning of year	2,3214.05	5 Distributions: (a) Cash
2 Net income per books	17460.43	(b) Stock
3 Other increases (itemize)		(c) Property
4 Total of lines 1, 2, and 3	19,620.42	6 Other decreases (itemize)
7 Total of lines 5 and 6		8 Total of lines 5 and 6
8 Balance at end of year (line 4 less 7)		14,620.42

GOVERNMENT EXHIBIT 7 - Tax Return Form 1120

Prestige Rents of the Cap. District Corp.
Schedules
October 31, 1969

A. Other Costs - Line 7 - Schedule A - Page 2

Salemen's Commissions	\$ 79,923.42
Other Brother's Commissions	10,310.70
Board Commissions	24,220.00
Board Services	16,864.47
Bank Charges, F.H.A., etc.	13,652.00
Model home costs, inspection fees & expense	20,981.20
Board Costs + Board Dues	10,261.51
Manager's Commissions	
TOTAL	\$ 116,327.38

Schedule EB. Other Deductions - Line 26 - Page 1

Office Expense	\$ 10,241.43
Auto Expense	3,323.53
Insurance	4,545.93
Entertainment + Sales Promotion	8,367.70
Legal + Accounting	2,160.24
Supplies + Maintenance	621.00
Broker Application Fee	100.00
Commission To builder	250.00
Club Dues	183.50
Licenses	110.00
Sign Expense	345.00
Miscellaneous	24.82
TOTAL	\$ 27,821.31

C. Taxes - Line 11 - Page 1

Corporation Franchise Tax	\$ 28,646.62
Federal Unemployment Tax	29.76
FICA Tax Expense	1,022.22
TOTAL	\$ 30,694.38

D. Other Expenditures Line 20 - Page 4

Payroll Taxes Payable	\$ 647.22
Escrow Payable	70.00
Legal Costs Payable	750.00
TOTAL	\$ 1,467.22

GOVERNMENT EXHIBIT 7 - Tax Return Form 1120

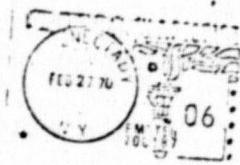
390 14-1491255 OCT 1969

5576 35

3 09 PRESTIGE REALTY OF THE CAPITAL
14 DISTRICT CORP.
PRES 1011 STATE ST
SCHENECTADY N Y 12307

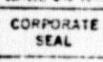
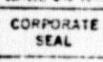
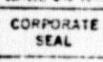
70

GOVERNMENT EXHIBIT 7 - Tax Return Form 1120.



DISTRICT DIRECTOR
INTERNAL REVENUE SERVICE
ALBANY, NEW YORK 12201

GOVERNMENT EXHIBIT 8 - Tax Return Form 1120.

Form 1120 Department of the Treasury Internal Revenue Service		U.S. Corporation Income Tax Return For calendar year 1970 or other taxable year beginning Nov. 1, 1969, ending Oct. 31, 1970. (PLEASE TYPE OR PRINT)		14313115-0014 / 1970																																																																																																																																																																																																																												
GROSS INCOME <input type="checkbox"/> A Consolidated return <input type="checkbox"/> <input type="checkbox"/> B Personal holding Co. <input type="checkbox"/> <input type="checkbox"/> C Business Code No. (See page 7 of instructions) 6591		Name <u>Prestige Realt</u> : the Capitol District Corp. Number and street <u>1011 State St</u> City or town, State, and zip <u>Schenectady, New York 12307</u>		D Employer Identification No. 14-1491255 E County in which located Schenectady F Enter total assets from line 14, column (D), Schedule E (See instruction B) \$ 102682.31 330735.56 159983.18 170752.38 300.00																																																																																																																																																																																																																												
IMPORTANT —Fill in all applicable lines and schedules. If the lines on the schedules are not sufficient, see Instruction N.																																																																																																																																																																																																																																
<table border="0"> <tr> <td>1 Gross receipts or gross sales</td> <td>330810.56</td> <td>Less: Returns and allowances</td> <td>75.00</td> </tr> <tr> <td>2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)</td> <td colspan="3"></td> </tr> <tr> <td>3 Gross profit</td> <td colspan="3"></td> </tr> <tr> <td>4 Dividends (Schedule C)</td> <td colspan="3"></td> </tr> <tr> <td>5 Interest on obligations of the United States and U.S. instrumentalities</td> <td colspan="3"></td> </tr> <tr> <td>6 Other interest</td> <td colspan="3"></td> </tr> <tr> <td>7 Gross rents</td> <td colspan="3"></td> </tr> <tr> <td>8 Gross royalties</td> <td colspan="3"></td> </tr> <tr> <td>9 Net gains (losses)—(separate Schedule D)</td> <td colspan="3"></td> </tr> <tr> <td>10 Other income (attach schedule)</td> <td colspan="3"></td> </tr> <tr> <td>11 TOTAL income—Add lines 3 through 10</td> <td colspan="3">WICHT Atlantic Service Center</td> <td>171052.38</td> </tr> <tr> <td colspan="5" style="text-align: center;">All over lines 01812</td> </tr> <tr> <td colspan="5"> <table border="0"> <tr> <td>12 Compensation of officers (Schedule E)</td> <td>08</td> <td>APR 15 1971</td> <td>#21</td> <td></td> </tr> <tr> <td>13 Salaries and wages (not deducted elsewhere)</td> <td colspan="3"></td> <td>19517.19</td> </tr> <tr> <td>14 Repairs (do not include capital expenditures)</td> <td colspan="3"></td> <td>26624.00</td> </tr> <tr> <td>15 Bad debts (Schedule F if reserve method is used)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>16 Rents</td> <td colspan="3"></td> <td>4343.17</td> </tr> <tr> <td>17 Taxes (attach schedule)</td> <td colspan="3"></td> <td>7304.41</td> </tr> <tr> <td>18 Interest</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)</td> <td colspan="3"></td> <td>4834.00</td> </tr> <tr> <td>20 Amortization (attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>21 Depreciation (Schedule G)</td> <td colspan="3"></td> <td>25298.61</td> </tr> <tr> <td>22 Depletion</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>23 Advertising</td> <td colspan="3"></td> <td>31633.25</td> </tr> <tr> <td>24 Profit sharing, stock bonus, pension and annuity plans (see instructions)</td> <td colspan="3"></td> <td>119554.63</td> </tr> <tr> <td>25 Other employee benefit plans (see instructions)</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>26 Other deductions (attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>27 TOTAL deductions on lines 12 through 26</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>29 Less: (a) Net operating loss deduction (see instructions—attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(b) Special deductions (Schedule H)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>30 Taxable income (line 28 less line 29)</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>31 TOTAL TAX (Schedule J)</td> <td colspan="3"></td> <td>18975.13</td> </tr> <tr> <td>32 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(b) Estimated tax—Overpayment from 1969 allowed as a credit</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>1970 estimated tax payments (deposits)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>Less refund of 1970 estimated tax applied for on Form 4465</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(c) Credit from regulated investment companies (attach Form 2439)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(d) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>33 TAX DUE (line 31 less line 32). See instruction G for depositary method of payment</td> <td colspan="3"></td> <td>18975.13</td> </tr> <tr> <td>34 OVERPAYMENT (line 32 less line 31)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>35 Enter amount of line 34 you want credited to 1971 estimated tax ►</td> <td colspan="3"></td> <td>Refunded ► ---</td> </tr> </table> </td> </tr> <tr> <td colspan="5"> <small>Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If I prepared this return for a person other than myself, his declaration is based upon all information of which I have any knowledge.</small> </td> </tr> <tr> <td colspan="2"> CORPORATE SEAL  </td> <td colspan="3"> Signature of officer <u>Anthony Disegno, Jr.</u> Date <u>4/2/71</u> Individual or firm signature of presenter <u>Anthony Disegno, Jr.</u> </td> </tr> <tr> <td colspan="5"> ANTHONY DISEGNO, Jr. 1713 Broadway Schenectady, N.Y. 12306 </td> </tr> </table>					1 Gross receipts or gross sales	330810.56	Less: Returns and allowances	75.00	2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)				3 Gross profit				4 Dividends (Schedule C)				5 Interest on obligations of the United States and U.S. instrumentalities				6 Other interest				7 Gross rents				8 Gross royalties				9 Net gains (losses)—(separate Schedule D)				10 Other income (attach schedule)				11 TOTAL income—Add lines 3 through 10	WICHT Atlantic Service Center			171052.38	All over lines 01812					<table border="0"> <tr> <td>12 Compensation of officers (Schedule E)</td> <td>08</td> <td>APR 15 1971</td> <td>#21</td> <td></td> </tr> <tr> <td>13 Salaries and wages (not deducted elsewhere)</td> <td colspan="3"></td> <td>19517.19</td> </tr> <tr> <td>14 Repairs (do not include capital expenditures)</td> <td colspan="3"></td> <td>26624.00</td> </tr> <tr> <td>15 Bad debts (Schedule F if reserve method is used)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>16 Rents</td> <td colspan="3"></td> <td>4343.17</td> </tr> <tr> <td>17 Taxes (attach schedule)</td> <td colspan="3"></td> <td>7304.41</td> </tr> <tr> <td>18 Interest</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)</td> <td colspan="3"></td> <td>4834.00</td> </tr> <tr> <td>20 Amortization (attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>21 Depreciation (Schedule G)</td> <td colspan="3"></td> <td>25298.61</td> </tr> <tr> <td>22 Depletion</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>23 Advertising</td> <td colspan="3"></td> <td>31633.25</td> </tr> <tr> <td>24 Profit sharing, stock bonus, pension and annuity plans (see instructions)</td> <td colspan="3"></td> <td>119554.63</td> </tr> <tr> <td>25 Other employee benefit plans (see instructions)</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>26 Other deductions (attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>27 TOTAL deductions on lines 12 through 26</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>29 Less: (a) Net operating loss deduction (see instructions—attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(b) Special deductions (Schedule H)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>30 Taxable income (line 28 less line 29)</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>31 TOTAL TAX (Schedule J)</td> <td colspan="3"></td> <td>18975.13</td> </tr> <tr> <td>32 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(b) Estimated tax—Overpayment from 1969 allowed as a credit</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>1970 estimated tax payments (deposits)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>Less refund of 1970 estimated tax applied for on Form 4465</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(c) Credit from regulated investment companies (attach Form 2439)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(d) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>33 TAX DUE (line 31 less line 32). See instruction G for depositary method of payment</td> <td colspan="3"></td> <td>18975.13</td> </tr> <tr> <td>34 OVERPAYMENT (line 32 less line 31)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>35 Enter amount of line 34 you want credited to 1971 estimated tax ►</td> <td colspan="3"></td> <td>Refunded ► ---</td> </tr> </table>					12 Compensation of officers (Schedule E)	08	APR 15 1971	#21		13 Salaries and wages (not deducted elsewhere)				19517.19	14 Repairs (do not include capital expenditures)				26624.00	15 Bad debts (Schedule F if reserve method is used)					16 Rents				4343.17	17 Taxes (attach schedule)				7304.41	18 Interest					19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)				4834.00	20 Amortization (attach schedule)					21 Depreciation (Schedule G)				25298.61	22 Depletion					23 Advertising				31633.25	24 Profit sharing, stock bonus, pension and annuity plans (see instructions)				119554.63	25 Other employee benefit plans (see instructions)				51497.75	26 Other deductions (attach schedule)					27 TOTAL deductions on lines 12 through 26				51497.75	28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)					29 Less: (a) Net operating loss deduction (see instructions—attach schedule)					(b) Special deductions (Schedule H)					30 Taxable income (line 28 less line 29)				51497.75	31 TOTAL TAX (Schedule J)				18975.13	32 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)					(b) Estimated tax—Overpayment from 1969 allowed as a credit					1970 estimated tax payments (deposits)					Less refund of 1970 estimated tax applied for on Form 4465					(c) Credit from regulated investment companies (attach Form 2439)					(d) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)					33 TAX DUE (line 31 less line 32). See instruction G for depositary method of payment				18975.13	34 OVERPAYMENT (line 32 less line 31)					35 Enter amount of line 34 you want credited to 1971 estimated tax ►				Refunded ► ---	<small>Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If I prepared this return for a person other than myself, his declaration is based upon all information of which I have any knowledge.</small>					CORPORATE SEAL 		Signature of officer <u>Anthony Disegno, Jr.</u> Date <u>4/2/71</u> Individual or firm signature of presenter <u>Anthony Disegno, Jr.</u>			ANTHONY DISEGNO, Jr. 1713 Broadway Schenectady, N.Y. 12306				
1 Gross receipts or gross sales	330810.56	Less: Returns and allowances	75.00																																																																																																																																																																																																																													
2 Less: Cost of goods sold (Schedule A) and/or operations (attach schedule)																																																																																																																																																																																																																																
3 Gross profit																																																																																																																																																																																																																																
4 Dividends (Schedule C)																																																																																																																																																																																																																																
5 Interest on obligations of the United States and U.S. instrumentalities																																																																																																																																																																																																																																
6 Other interest																																																																																																																																																																																																																																
7 Gross rents																																																																																																																																																																																																																																
8 Gross royalties																																																																																																																																																																																																																																
9 Net gains (losses)—(separate Schedule D)																																																																																																																																																																																																																																
10 Other income (attach schedule)																																																																																																																																																																																																																																
11 TOTAL income—Add lines 3 through 10	WICHT Atlantic Service Center			171052.38																																																																																																																																																																																																																												
All over lines 01812																																																																																																																																																																																																																																
<table border="0"> <tr> <td>12 Compensation of officers (Schedule E)</td> <td>08</td> <td>APR 15 1971</td> <td>#21</td> <td></td> </tr> <tr> <td>13 Salaries and wages (not deducted elsewhere)</td> <td colspan="3"></td> <td>19517.19</td> </tr> <tr> <td>14 Repairs (do not include capital expenditures)</td> <td colspan="3"></td> <td>26624.00</td> </tr> <tr> <td>15 Bad debts (Schedule F if reserve method is used)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>16 Rents</td> <td colspan="3"></td> <td>4343.17</td> </tr> <tr> <td>17 Taxes (attach schedule)</td> <td colspan="3"></td> <td>7304.41</td> </tr> <tr> <td>18 Interest</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)</td> <td colspan="3"></td> <td>4834.00</td> </tr> <tr> <td>20 Amortization (attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>21 Depreciation (Schedule G)</td> <td colspan="3"></td> <td>25298.61</td> </tr> <tr> <td>22 Depletion</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>23 Advertising</td> <td colspan="3"></td> <td>31633.25</td> </tr> <tr> <td>24 Profit sharing, stock bonus, pension and annuity plans (see instructions)</td> <td colspan="3"></td> <td>119554.63</td> </tr> <tr> <td>25 Other employee benefit plans (see instructions)</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>26 Other deductions (attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>27 TOTAL deductions on lines 12 through 26</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>29 Less: (a) Net operating loss deduction (see instructions—attach schedule)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(b) Special deductions (Schedule H)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>30 Taxable income (line 28 less line 29)</td> <td colspan="3"></td> <td>51497.75</td> </tr> <tr> <td>31 TOTAL TAX (Schedule J)</td> <td colspan="3"></td> <td>18975.13</td> </tr> <tr> <td>32 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(b) Estimated tax—Overpayment from 1969 allowed as a credit</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>1970 estimated tax payments (deposits)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>Less refund of 1970 estimated tax applied for on Form 4465</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(c) Credit from regulated investment companies (attach Form 2439)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>(d) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>33 TAX DUE (line 31 less line 32). See instruction G for depositary method of payment</td> <td colspan="3"></td> <td>18975.13</td> </tr> <tr> <td>34 OVERPAYMENT (line 32 less line 31)</td> <td colspan="3"></td> <td></td> </tr> <tr> <td>35 Enter amount of line 34 you want credited to 1971 estimated tax ►</td> <td colspan="3"></td> <td>Refunded ► ---</td> </tr> </table>					12 Compensation of officers (Schedule E)	08	APR 15 1971	#21		13 Salaries and wages (not deducted elsewhere)				19517.19	14 Repairs (do not include capital expenditures)				26624.00	15 Bad debts (Schedule F if reserve method is used)					16 Rents				4343.17	17 Taxes (attach schedule)				7304.41	18 Interest					19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)				4834.00	20 Amortization (attach schedule)					21 Depreciation (Schedule G)				25298.61	22 Depletion					23 Advertising				31633.25	24 Profit sharing, stock bonus, pension and annuity plans (see instructions)				119554.63	25 Other employee benefit plans (see instructions)				51497.75	26 Other deductions (attach schedule)					27 TOTAL deductions on lines 12 through 26				51497.75	28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)					29 Less: (a) Net operating loss deduction (see instructions—attach schedule)					(b) Special deductions (Schedule H)					30 Taxable income (line 28 less line 29)				51497.75	31 TOTAL TAX (Schedule J)				18975.13	32 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)					(b) Estimated tax—Overpayment from 1969 allowed as a credit					1970 estimated tax payments (deposits)					Less refund of 1970 estimated tax applied for on Form 4465					(c) Credit from regulated investment companies (attach Form 2439)					(d) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)					33 TAX DUE (line 31 less line 32). See instruction G for depositary method of payment				18975.13	34 OVERPAYMENT (line 32 less line 31)					35 Enter amount of line 34 you want credited to 1971 estimated tax ►				Refunded ► ---																																																																						
12 Compensation of officers (Schedule E)	08	APR 15 1971	#21																																																																																																																																																																																																																													
13 Salaries and wages (not deducted elsewhere)				19517.19																																																																																																																																																																																																																												
14 Repairs (do not include capital expenditures)				26624.00																																																																																																																																																																																																																												
15 Bad debts (Schedule F if reserve method is used)																																																																																																																																																																																																																																
16 Rents				4343.17																																																																																																																																																																																																																												
17 Taxes (attach schedule)				7304.41																																																																																																																																																																																																																												
18 Interest																																																																																																																																																																																																																																
19 Contributions (not over 5% of line 28 adjusted per instructions—attach schedule)				4834.00																																																																																																																																																																																																																												
20 Amortization (attach schedule)																																																																																																																																																																																																																																
21 Depreciation (Schedule G)				25298.61																																																																																																																																																																																																																												
22 Depletion																																																																																																																																																																																																																																
23 Advertising				31633.25																																																																																																																																																																																																																												
24 Profit sharing, stock bonus, pension and annuity plans (see instructions)				119554.63																																																																																																																																																																																																																												
25 Other employee benefit plans (see instructions)				51497.75																																																																																																																																																																																																																												
26 Other deductions (attach schedule)																																																																																																																																																																																																																																
27 TOTAL deductions on lines 12 through 26				51497.75																																																																																																																																																																																																																												
28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)																																																																																																																																																																																																																																
29 Less: (a) Net operating loss deduction (see instructions—attach schedule)																																																																																																																																																																																																																																
(b) Special deductions (Schedule H)																																																																																																																																																																																																																																
30 Taxable income (line 28 less line 29)				51497.75																																																																																																																																																																																																																												
31 TOTAL TAX (Schedule J)				18975.13																																																																																																																																																																																																																												
32 Credits: (a) Tax paid (deposited) with Form 7004 application for extension (attach copy)																																																																																																																																																																																																																																
(b) Estimated tax—Overpayment from 1969 allowed as a credit																																																																																																																																																																																																																																
1970 estimated tax payments (deposits)																																																																																																																																																																																																																																
Less refund of 1970 estimated tax applied for on Form 4465																																																																																																																																																																																																																																
(c) Credit from regulated investment companies (attach Form 2439)																																																																																																																																																																																																																																
(d) U.S. tax on special fuels, nonhighway gas and lubricating oil (attach Form 4136)																																																																																																																																																																																																																																
33 TAX DUE (line 31 less line 32). See instruction G for depositary method of payment				18975.13																																																																																																																																																																																																																												
34 OVERPAYMENT (line 32 less line 31)																																																																																																																																																																																																																																
35 Enter amount of line 34 you want credited to 1971 estimated tax ►				Refunded ► ---																																																																																																																																																																																																																												
<small>Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct, and complete. If I prepared this return for a person other than myself, his declaration is based upon all information of which I have any knowledge.</small>																																																																																																																																																																																																																																
CORPORATE SEAL 		Signature of officer <u>Anthony Disegno, Jr.</u> Date <u>4/2/71</u> Individual or firm signature of presenter <u>Anthony Disegno, Jr.</u>																																																																																																																																																																																																																														
ANTHONY DISEGNO, Jr. 1713 Broadway Schenectady, N.Y. 12306																																																																																																																																																																																																																																

GOVERNMENT EXHIBIT 8 - Tax Return Form 1120.

Form 1120 (1-67) 2

Schedule A—COST OF GOODS SOLD (See instruction 2)		Schedule C—DIVIDENDS (See instruction 4)	
1 Inventory at beginning of year		1 Domestic corporations subject to 85% deduction	
2 Merchandise bought for manufacture or sale		2 Certain preferred stock of public utilities	
3 Salaries and wages	159983.18	3 Foreign corporations subject to 85% deduction	
4 Other costs (attach schedule)	159983.18	4 Dividends from wholly-owned foreign subsidiaries subject to 100% deduction (section 245(b))	
5 Total	---	5 Other dividends from foreign corporations	
6 Less inventory at end of year		6 Includable income from controlled foreign corporations (Subpart F, attach Forms 3546)	
7 Cost of goods sold—Enter on line 2, page 1	159983.18	7 Foreign dividend gross up (section 78)	
Method of inventory valuation		8 Qualifying dividends received from affiliated groups and subject to the 100% deduction (section 241(a)(3))	
Was there any substantial change in the manner of determining quantities, costs, or valuations between opening and closing inventory? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If "Yes," attach an explanation.		9 Qualifying dividends received from affiliated groups and subject to the provisions of section 1564(b)	
11 Total—Enter here and on line 4, page 1		10 Other dividends	

Schedule E—COMPENSATION OF OFFICERS (See instruction 12)

1. Name of officer	2. Social security number	3. Title	4. Time devoted to business	5. Percent of corporation stock owned	6. Prior yr.	7. Annualized compensation	8. Expense account allowances
Warren B. Drons	074-03-1531	Treas.	100%	--		14317.19	
Margaret Drons	094-16-8508	Sec.	50%	100%		5200.00	

Total compensation of officers—Enter here and on line 12, page 1 19517.19

Schedule F—BAD DEBTS—RESERVE METHOD (See instruction 15)

1. Year	2. Trade notes and accounts receivable outstanding at end of year	3. Sales on account	4. Current year's provision	5. Recoveries	6. Amount charged against reserve	7. Reserve for bad debts at end of year
1965.						
1966.						
1967.						
1968.						
1969.						
1970.						

Schedule G—DEPRECIATION (See instructions for Schedule G)

Taxpayers using Revenue Procedures 62-21 and 65-13. Make no entry in column 2, enter the cost or other basis of assets held at end of year in column 3, and enter the accumulated depreciation at end of year in column 4.

1. Group and guidance class or description of property	2. Date acquired	3. Cost or other basis	4. Depreciation allowed or allowable in prior years	5. Method of computing depreciation	6. Life or rate	7. Depreciation for this year
1 Total additional first year depreciation (do not include in items below)						
Buildings						
Furniture and fixtures	Var	13743.00	4000.00	SL	3yr.	4581.00
Transportation equipment	Var	2526.00	2.00	SL	10yr.	253.00
Machinery and other equipment						
Other (specify)						
2 Totals						4834.00
3 Less amount of depreciation claimed in Schedule A and elsewhere on return						---
4 Balance—Enter here and on line 21, page 1						4834.00

Schedule H—SUMMARY OF DEPRECIATION

1 Under Rev. Procs. 62-21 and 65-13	2 Straightline	3 Declining balance	4 % of the year in units	5 Units of production	6 Additional first year (section 179)	7 Other (specify)	8 Total
1 Under Rev. Procs. 62-21 and 65-13							
2 Other							

GOVERNMENT EXHIBIT 8 - Tax Return Form 1120

Form 1120 (1970)

Page 3

Schedule I--SPECIAL DEDUCTIONS

- 1 (a) 85% of line 1, Schedule C
 (b) 60.813% of line 2, Schedule C (Fiscal year corporations, see page 6 of instructions)
 (c) 85% of line 3, Schedule C
 (d) 100% of line 4, Schedule C
 2 Total—See page 5 of instructions for limitation
 3 100% of line 8, Schedule C
 4 Enter dividends received deduction allowed for dividends reported on line 9, Schedule C. See section 1564(b) for computation.
 5 Dividends paid on certain preferred stock of public utilities (see instructions)
 6 Western Hemisphere trade corporations (see instructions)
 7 Total special deductions—Add lines 2 through 6. Enter here and on line 29(b), page 1

Schedule J—TAX COMPUTATION

1 Taxable income (line 30, page 1)	\$1497.55
2 Surtax exemption—Enter line 1 or \$25,000, whichever is lesser. (Component members of a controlled group see page 6 of instructions and enter your surtax exemption or line 1, whichever is lesser)	25000.00
3 Line 1 less line 2	26497.75
4 (a) 22% of line 1	11329.50
(b) 26% of line 3	6889.42
(c) If multiple surtax exemption is elected under section 1562, enter 6% of line 2	---
5 (a) Income tax (line 4, or alternative tax from separate Schedule D, whichever is lesser)	18218.92
(b) Tax Surcharge—2½% of line 5(a) (Fiscal and short year corporations, see page 6 of instr.)	756.21
6 Foreign tax credit (attach Form 1118)	18975.13
7 Line 5 less line 6	---
8 Investment credit (attach Form 3468)	18975.13
9 Line 7 less line 8	---
10 (a) Personal holding company tax (attach Schedule 1120 PH)	18975.13
(b) Tax Surcharge—2½% of line 10(a) (Fiscal and short year corporations, see page 6 of instr.)	---
11 Tax from recomputing a prior year investment credit (attach Form 4255)	---
12 Minimum tax on tax preference items (See page 6 of instructions). Check here <input type="checkbox"/> if Form 4626 is attached	---
13 Total Tax—Add lines 9 through 12. Enter here and on line 31, page 1	18975.13

Schedule K—RECORD OF FORM 503 FEDERAL TAX DEPOSITS (List deposits in order of date made—See instruction G)

Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount	Serial number of Form 503	Date of deposit	Amount

G Date incorporated 11/65

H (1) Did you at the end of the taxable year own directly or indirectly 50% or more of the voting stock of a domestic corporation? Yes No (2) Did any corporation, individual, partnership, trust, or association at the end of the taxable year own directly or indirectly 50% or more of your voting stock? Yes No
(For rules of attribution, see section 267(c))If the answer to (1) or (2) is "Yes," attach a schedule showing:
(a) name, address, and identifying number; and
(b) percentage owned.

If the answer to (1) above is "Yes," show the taxable income (or loss) from line 30, page 1, Form 1120 of such corporation for the taxable year ending with or within your taxable year.

If the answer to (2) above is "Yes," was the owner of such voting stock an alien, individual or a foreign corporation, partnership, trust or association? Yes No I Did you have any contracts or subcontracts subject to the Relocation Act of 1951? Yes No If "Yes," enter the aggregate gross dollar amount billed during the yearJ Did you ever declare a stock dividend? Yes No K Did you claim a deduction for expenses connected with: Yes No

- (1) Entertainment facility (boat, resort, ranch, etc)?
 (2) Living accommodations (except employees on business)?
 (3) Employees' families at conventions or meetings?
 (4) Employee or family vacations not reported on Form W-2?

L Taxable income (or loss) from line 30, page 1, Form 1120 for: 1966 667.95 1967 32607.04 1968 23042.78

M Refer to page 7 of instructions and state the principal:

Business activity **Realty Sales**Product or service **Residential Homes**

N Were you a member of a controlled group subject to the provisions of:

(1) Section 1561? Yes No (2) Section 1562? Yes No

If answer to (1) or (2) is "Yes," check type of relationship:

(a) parent-subsidiary (b) brother-sister (c) combination of (a) and (b) (See section 1563.)If answer to (2) is "Yes," does section 1562(b)(1)(A) apply (recapture of 6% additional tax under section 1562)? Yes No O Did the corporation, at any time during the taxable year, have any interest in or signature or other authority over a bank, securities, or other financial account in a foreign country? Yes No If "Yes," attach Form 4683. (For definitions, see Form 4683.)P Were you a U.S. shareholder of any controlled foreign corporation? Yes No (See sections 951 and 957.) If "Yes," attach Form 3646 for each such corporation.Q During this taxable year, did you pay dividends (other than stock dividends and distributions in exchange for stock) in excess of your earnings and profits? Yes No (See sections 301 and 316.) If "Yes," file Schedule Form 1036. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.R Did you file all required Forms 1099, 1096 and 1097? Yes No

GOVERNMENT EXHIBIT 8 - Tax Return Form 1120.

Form 1120 (1970)

Schedule L—BALANCE SHEETS

Page 4

		Beginning of taxable year (A) Amount	(B) Total	End of taxable year (C) Amount	(D) Total
ASSETS					
1 Cash		31532.43		71317.59	
2 Trade notes and accounts receivable	6910.00		12043.93		
(a) Less allowance for bad debts	---	6910.00	---	12043.93	
3 Inventories					
4 Gov't obligations: (a) U.S. and instrumentalities					
(b) State, subdivisions thereof, etc.					
5 Other current assets (attach schedule)		581.92		581.92	
6 Loans to stockholders					
7 Mortgage and real estate loans					
8 Other investments (attach schedule) Cash Escrow		7284.22		7584.22	
9 Buildings and other fixed depreciable assets	10857.84		20011.89		
(a) Less accumulated depreciation	4202.98	6654.86	9036.98	10974.91	
10 Depletable assets					
(a) Less accumulated depletion					
11 Land (net of any amortization)					
12 Intangible assets (amortizable only)					
(a) Less accumulated amortization					
13 Other assets (attach schedule)		179.74		179.74	
14 Total assets		53143.17		102682.31	
LIABILITIES AND STOCKHOLDERS' EQUITY					
15 Accounts payable					
16 Mtgs., notes, bonds payable in less than 1 yr.					
17 Other current liabilities (attach schedule) Corp. Tax		5576.35		18975.13	
18 Loans from stockholders					
19 Mtgs., notes, bonds payable in 1 yr. or more					
20 Other liabilities (attach schedule)		1419.92		5037.66	
21 Capital stock: (a) Preferred stock					
(b) Common stock		5466.42		5466.42	
22 Paid in or capital surplus (attach reconciliation)					
23 Retained earnings—Appropriated (attach sch.)					
24 Retained earnings—Unappropriated		40680.48		73203.10	
25 Less cost of treasury stock		()		()	
26 Total liabilities and stockholders' equity		53147.17		102682.31	

Schedule M-1—RECONCILIATION OF INCOME PER BOOKS WITH INCOME PER RETURN

1 Net income per books	32522.62	7 Income recorded on books this year not included in this return (itemize)
2 Federal income tax	18975.13	(a) Tax-exempt interest \$
3 Excess of capital losses over capital gains		
4 Taxable income not recorded on books this year (itemize)		
5 Expenses recorded on books this year not deducted in this return (itemize)		8 Deductions in this tax return not charged against book income this year (itemize)
(a) Depreciation \$		(a) Depreciation \$
(b) Depletion \$		(b) Depletion \$
6 Total of lines 1 through 5	51497.75	Total of lines 7 and 8
		10 Income (line 28, page 1)—line 6 less 9
		51497.75

Schedule M-2—ANALYSIS OF UNAPPROPRIATED RETAINED EARNINGS PER BOOKS (line 24 above)

1 Balance at beginning of year	40680.48	5 Distributions: (a) Cash
2 Net income per books	32522.62	(b) Stock
3 Other increases (itemize)		(c) Property
4 Total of lines 1, 2, and 3	73203.10	6 Other decreases (itemize)
		7 Total of lines 5 and 6
		8 Balance at end of year (line 4 less 7)
		73203.10

GOVERNMENT EXHIBIT 8 - Tax Return Form 1120.

Prestige Realty of the Capitol District Corp.
 Schedules
 October 31, 1970

A. Other Costs - Line 4 - Schedule A - Page 2

Salesmen's Commissions	\$ 84661.92
Other Broker's Commissions	12726.24
Board Commissions	2609.84
Bank Charges, FHA, etc.	2894.73
Board Services	2375.30
Purchases for Resale	54401.65
Board Dues & Licenses	313.50
Total	<u>\$ 159983.18</u>

B. Taxes - Line 17 - Page 1

NYS Franchise Tax.	\$ 5817.38
FICA Tax Expense	1487.03
Total	<u>\$ 7304.41</u>

C. Other Deductions - Line 26 - Page 1

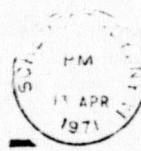
Office Expense	\$ 15400.22
Auto Expense	4698.83
Insurance	3562.74
Sales Promotion	2006.90
Office Maintenance & Labor	451.12
Professional Dues	368.84
Blue Cross - Blue Shield	1098.38
NYS Unemployment Insurance	590.09
Accounting	900.00
Rental	47.38
Miscellaneous & Sundry	1158.78
Total	<u>\$ 31633.25</u>

D. Other Liabilities - Line 20 - Page 4

Payroll Taxes Payable	\$ 955.60
Escrow Payable	70.00
NYS Corp. Franchise Payable	4012.06
Total	<u>\$ 5037.66</u>

DISORSO, Acct.
ROADWAY
DY, N. Y. 12306

INTERNAL REVENUE SERVICE CENTER
310 Lowell Street
Andover, Massachusetts 01812





GOVERNMENT EXHIBIT 12 — Stock Certificate No. 1.

For value received

W. Baldwin Droms

I hereby sell, assign and transfer unto

Fifty (50) shares

of the capital stock represented by the stock certificate and do hereby irrevocably constitute and appoint

Attorney

to transfer and deliver the title of the above named corporation with full power of substitution the premises

Dated November 1, 1968

In presence of

Frank J. C. [Signature]

Mary E. Valadez

A TRUE COPY
A document in possession of
Frank J. C.

AUG 15 1972

Compared with the original
LP
Special Agent



GOVERNMENT EXHIBIT 13 - Stock Certificate No. 2.

For value received,

W. Baldwin Droms

I, [redacted] transfer and assign

Fifty (50) shares

of the capital stock represented by the within certificate and do hereby make the foregoing assignment and appoint

Attorney

to transfer the said stock on the books of the said corporation with full power of substitution in the premises

Dated November 1, 1968

In presence of
[Signature]

[Signature]

A TRUE COPY
A document in possession of
Frank J. Boyle

AUG 15 1972

Compared with the original
FBI Agent

NUMBER
3SHARES
-100-

INCORPORATED UNDER THE LAWS OF THE STATE OF NEW YORK

Prestige Realty of the Capitol District Corporation

The Corporation is authorized to issue 200 shares without par value, of one class

This Certificate, that W. BALDWIN DROMS is the owner of
ONE HUNDRED (100) fully paid and non-assessable shares

of Prestige Realty of the Capitol District Corporation
transferable only on the books of the Corporation by the holder hereof in person or by
duly authorized Attorney upon surrender of this Certificate properly endorsed

In Witness Whereof, the said Corporation has caused this certificate to be signed
by its duly authorized officers and to be sealed with the Seal of the Corporation
this 1st day of November A.D. 1968.

F. J. K. [Signature]
SECRETARY & TREASURER

M. E. [Signature]
PRESIDENT

GOVERNMENT EXHIBIT 14 - Stock Certificate No. 3.

~~Serial number~~~~Worthia B. Spoor~~~~Entitled to assign and transfer unto~~

One Hundred (100) shares
 of the capital stock represented by the within certificate, and to hereby give full power of substitution in the premises
 to transfer the said stock on the books of the within named corporation with full power of substitution in the premises
 Dated Nov. 2- 1968 W. Baedeker Drawn
 In presence of

~~A TRUE COPY~~~~In possession of~~~~Frank Paul~~~~AUG 16 1972~~~~Concorded with the original~~~~Special Agent~~

BEST COPY AVAILABLE

83

GOVERNMENT EXHIBIT 15 - Record of Payments on
Business.

DATE	AMOUNT RECEIVED	CH. #	1	2	3	4	5	6
5/1/67 5 Pawland St.	\$0 -	824						
5/2/67 63 Northwood	\$0 -	920						
5/25/67 2070 Castleberry	\$0 -	1010	a. Kornil					
5/26/67 6498 Eggerswood	\$0 -	1018	b. Thompson					
5/27/67 4618 Marqualls	\$0 -	1022	c. Thompson					
5/28/67 21 Hutchins Dr.	\$0 -	1023	d. Moore					
5/1/67 16 Heritage Trails	\$0 -	1064						
5/19/67 18 " "	\$0 -	1065						
5/26/67 1544 Wm. Brown	\$0 -	1090						
5/29/67 49 Brookfield	\$0 -	1095						
5/30/67 57 Berger Blvd	\$0 -	1097						
12/1/67 Sat. 1. Dixie								
13 5/20/67 2020 Kyle Rd	\$0 -	1101						
5/21/67 29 Heritage	\$0 -	1113						
5/24/67 27 Heritage	\$0 -	1114						
5/25/67 20 Lyan Alz	\$0 -	1115						
5/26/67 19 Heritage	\$0 -	1117						
5/26/67 11 Clancy Ave.	\$0 -	1108						
5/10/67 14 Old Lane	\$0 -	1103						
5/10/67 89 Hartman	\$0 -	1175						
5/14/67 8 Pawland St.	\$0 -	1174						
5/20/67 314 Chinnell	\$0 -	1186						
5/21/67 104 Sherman Alz	\$0 -	1187						
5/22/67 41 Willow St.	\$0 -	1191						
5/24/67 17 Heritage	\$0 -	1196						
5/27/67 20 Heritage	\$0 -	1202						
5/10/67 8 Kyle Alz	\$0 -	1221						
5/10/67 7 Phillips St.	\$0 -	1227						
5/10/67 28 Heritage	\$0 -	1230						
5/10/67 22 Heritage	\$0 -	1239						
5/10/67 1086-88 Willmetts	\$0 -	1228						
5/10/67 30 Heritage	\$0 -	1232						
5/10/67 31 Heritage	\$0 -	1234						
5/10/67 3d 47 Highland	\$0 -	1306						
5/10/67 3 Pawland St.	\$0 -	1281						
5/12/67 10 Kyle Land St.	\$0 -	1291						
5/14/67 9 Pawland St.	\$0 -	1286						
5/16/67 11 Pawland St.	\$0 -	1290						
5/26/67 32 Hutchins	\$0 -	1293						
5/27/67 1220 Prentiss Rd	\$0 -	1296						

**GOVERNMENT EXHIBIT 15 - Record of Payments on
Business.**

DATE	PROPERTY	AMOUNT RECEIVED	CH.#
1/1/67	1617 1st St., N.W.	\$0 -	1010
1/1/67	837 Ridgefield	\$0 -	1220
1/1/67	1100 1st St., N.W.	\$0 -	1235
1/1/67	15 Alcott St.	\$0 -	1261
1/1/67	1029 Old Town Ave.	\$0 -	1284
1/1/67	80 1st St., N.W.	\$0 -	1323
1/1/67	101 Ridgefield	\$0 -	1339
1/1/67	810 Lawrence Dr.	\$0 -	1341
1/1/67	U.S. Bank	\$0 -	1353
1/1/67	101 1st Street, N.W.	\$0 -	1370
1/1/67	849 Heritage Park	\$0 -	1385
1/1/67	162 Ridgefield	\$0 -	1393
1/1/67	2089 1st St., N.W.	\$0 -	1400
1/1/67	180 Heritage Park	\$0 -	1415
1/1/67	Midway Inn	\$0 -	1424
1/1/67	102 Ridgefield	\$0 -	1437
1/1/67	118 1st Street, N.W.	\$0 -	1448
1/1/67	864 Heritage Park	\$0 -	1455
1/1/67	147 Ridgefield	\$0 -	1461
1/1/67	81 1st Street, N.W.	\$0 -	1463
1/1/67	7 Heritage Park	\$0 -	1465
1/1/67	Blank Book	\$0 -	1474
1/1/67	10 Ridgefield	\$0 -	1483
1/1/67	1737 Lawrence Dr.	\$0 -	1494
1/1/67	84 1st St., N.W.	\$0 -	1495
1/1/67	147 Ridgefield	\$0 -	1495
1/1/67	1st St., N.W.	\$0 -	1505
1/1/67	85 1st Street, N.W.	\$0 -	1507
1/1/67	100 1st Street, N.W.	\$0 -	1508
1/1/67	1410 1st Street, N.W.	\$0 -	1509
1/1/67	192 1st Street, N.W.	\$0 -	1511
1/1/67	105 1st Street, N.W.	\$0 -	1519
1/1/67	412 Ridgefield	\$0 -	1520
1/1/67	103 1st Street, N.W.	\$0 -	1524
1/1/67	971 Ridgefield	\$0 -	1540
1/1/67	115 Ridgefield	\$0 -	1577
1/1/67	12 1st Street, N.W.	\$0 -	1580
1/1/67	98 1st Street, N.W.	\$0 -	1583
1/1/67	111 Ridgefield	\$0 -	1584
1/1/67	110 Ridgefield	\$0 -	1585

GOVERNMENT EXHIBIT 15 - Record of Payments
Business.

2

Line No.	See Property	1	2	3	4	5	6
		Am't Rec.	Chk's				
1	11/16/67 99' Heritage Park	100.00	X				
2	11/16/67 102' Heritage Park	100.00					
3	11/16/67 91' Heritage Park	100.00	X				
4	11/16/67 87' Heritage Park	100.00	X				
5	11/16/67 82' Heritage Park	100.00					
6	11/16/67 94' Heritage Park	100.00					
7	11/16/67 21' Heritage Park	100.00					
8	11/16/67 104' Heritage Park	100.00					
9	11/16/67 52' Heritage Park	100.00					
10	11/16/67 53' "	100.00					
11	11/16/67 96' "	100.00					
12	11/16/67 43' "	100.00					
13	11/16/67 117' "	100.00					
14	11/16/67 93' "	100.00					
15	11/16/67 97' "	100.00					
16	11/16/67 52' Jeanette Park	100.00					
17	11/16/67 112' Jeanette Park	100.00					
18	11/16/67 113' Jeanette Park	100.00					
19	11/16/67 48' Heritage Park	100.00					
20	11/16/67 85' Heritage Park	100.00					
21	11/16/67 21' Heritage Park	100.00					
22	11/16/67 90' Heritage Park	100.00					
23	11/16/67 110' Heritage Park	100.00					
24	11/16/67 101' Heritage Park	100.00					
25	11/16/67 44' Heritage Park	100.00					
26	11/16/67 45' Heritage Park	100.00					
27	11/16/67 114' Heritage Park	100.00					
28	11/16/67 140' Heritage Park	100.00					
29	11/16/67 88' Heritage Park	100.00					
30	11/16/67 102' Heritage Park	100.00					
31	11/16/67 30' Heritage Park	100.00					
32	11/16/67 125' Heritage Park	100.00					
33	11/16/67 102' Heritage Park	100.00					
34	11/16/67 103' Heritage Park	100.00					
35	11/16/67 88' Vista Park	100.00					
36	11/16/67 129' Park Lane	100.00					
37	11/16/67 41' Park Lane	100.00					
38	11/16/67 102' Park Lane	100.00					
39	11/16/67 12' Heritage Park	100.00					
40	11/16/67 108' Heritage Park	100.00					

**GOVERNMENT EXHIBIT 15 — Record of Payments on
Business.**

<i>Date</i>	<i>Property</i>	<i>Agt Rec.</i>	<i>Club</i>	
10/6/67	116 Glendale	✓	308	X
10/6/67	111 Glendale	✓	308	
10/6/67	102 Glendale	✓	308	
10/6/67	9 Chil. 100 P.A.A.	✓	308	
10/6/67	223 Glendale	✓	308	
10/6/67	46 Glendale	✓	308	X
10/6/67	48 Glendale	✓	308	X
10/6/67	91 Glendale	✓	308	
10/6/67	21 Marley Rd	✓	308	X
10/6/67	41 Glendale	✓	308	X
10/6/67	100 Glendale	✓	308	X
10/6/67	105 Glendale	✓	308	V
10/6/67	54 Glendale	✓	308	X
10/6/67	138 Glendale	✓	308	X
10/6/67	11205 Glendale	✓	308	
10/6/67	1900 Glendale	✓	308	
10/6/67	49 Glendale	✓	308	
10/6/67	107 Glendale	✓	308	X
10/6/67	187 Glendale	✓	308	X
10/6/67	206 Glendale	✓	308	
10/6/67	104 Glendale	✓	308	
10/6/67	102 Glendale	✓	308	
10/6/67	7 Glendale	✓	308	X
10/6/67	59 Glendale	✓	308	X
10/6/67	629 Glendale	✓	308	X
10/6/67	60 Glendale	✓	308	X
10/6/67	103 Glendale	✓	308	X
10/6/67	1703 Glendale	✓	308	
10/6/67	102 Glendale	✓	308	
10/6/67	702 Glendale	✓	308	
10/6/67	1001 Glendale	✓	308	
10/6/67	9121 Glendale	✓	308	
10/6/67	17 Lincoln Ave	✓	308	
10/6/67	43 Market	✓	308	
10/6/67	83 Glendale	✓	308	
10/6/67	14 Lincoln	✓	308	
10/6/67	39 Glendale	✓	308	
10/6/67	59 Glendale	✓	308	V
10/6/67	133 Glendale	✓	308	X
10/6/67	152 Glendale	✓	308	X

GOVERNMENT EXHIBIT 15 - Record of Payments on
Business.

(C3)

Row	Month	Property	1	2	3	4	5	6
			Av't	Per	Plat			
1	3/36	119 "Heights"					X	
2		121 "Heights"				X		
3		32 "Heights"				X		
4		12 "Heights"				X		
5		47 "Heights"				X		
6		35 "Wherry's"						
7		149 "Wherry's"						
8		100 "Wherry's"						
9		55 "Wherry's"						
10		32 "Wherry's"						
11		61 "Wherry's"						
12		Concretes						
13		12 "Heights"						
14		436 "Heights"						
15		19 "Heights"						
16		628 "Heights"						
17		125 "Heights"						
18		134 "Heights"						
19		958 "Heights"						
20		1425 "Heights"						
21		1100 "Heights"						
22		30 "Heights"						
23		100 "Heights"					X	
24		124 "Heights"					X	
25		625 "Heights"					X	
26		127 "Heights"					X	
27		131 "Heights"					X	
28		120 "Heights"					X	
29		16 "Heights"					X	
30		118 "Heights"					X	
31		71 "Heights"					X	
32		53 "					X	
33		147 "					X	
34		145 "					X	
35		168 "					X	
36		77 "					X	
37		2222 "Star of Penn."					X	
38		603 "Heights"					X	
		No. 12						
		37						

GOVERNMENT EXHIBIT 16 - Resolutions of Corporation.

I HEREBY CERTIFY, that I am Secretary of the Board of Directors of Prestige Realty of the Capital District Corp., a corporation organized and existing under and pursuant to the laws of New York State.

I FURTHER CERTIFY, that at a regular meeting of the Board of Directors of said corporation, duly called and held at 1011 State St., Sch'dy, on the 6th day of April, 1967, and at which a quorum was present and acting throughout, the following resolutions were adopted and are now in full force and effect.

RESOLVED that the MOHAWK NATIONAL BANK be and it is hereby designated as a depository of the funds of this corporation and that the said funds be subject to withdrawal upon checks, notes, drafts, bills of exchange, acceptances, undertakings or other orders for the payment of money when signed in the following manner: (State plainly names and title of authorized signers and be specific as to any combinations of signatures required.)

W. Baldwin Droms, Sales Manager

RESOLVED that said MOHAWK NATIONAL BANK is hereby authorized to pay any such checks, drafts, notes or orders and also to receive the same for credit or in payment from the payee or any other holder without inquiry as to the circumstances of issue or the disposition of the proceeds, thereof, even if drawn to the individual order of any signing officer or tendered in payment of his individual obligations.

RESOLVED that any and all endorsements for or on behalf of the Corporation upon checks, drafts, notes or instruments for deposit or collection, made with the MOHAWK NATIONAL BANK may be written or stamped endorsements of the corporation without any designation of the party making such endorsement.

RESOLVED that the foregoing resolutions shall continue and remain in full force and effect until written notice of their revocation has been duly received by the said MOHAWK NATIONAL BANK.

I FURTHER CERTIFY that these Resolutions are not inconsistent with our By-Laws, and that the following are the names and official designations of the officers of the corporation.

NAME	OFFICE
<u>Marion E. Kolakowski</u>	<u>President - Treasurer</u>
<u>Mary Z. Kolakowski</u>	<u>Vice President - Secretary</u>

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Board of Directors of said Corporation and affixed the corporate seal this 24th day of February, 1967.

S/ Mary Z. Kolakowski
Secretary of the Board of Directors

(Seal)

I, President of Prestige Realty of the Capital District Corp., do hereby certify that on the 6th day of April 1967, Mary Z. Kolakowski who signed and attested the foregoing resolution, was and now is the duly qualified and acting Secretary of the Board of Directors of Prestige Realty of the Cap. Dist., a corporation, and that he was and is duly authorized by the By-Laws, to certify to the proceedings of the Board of Directors of said corporation and to affix the corporate seal to such certificate.

Date April 19, 1967

S/ Marion E. Kolakowski
President

GOVERNMENT EXHIBIT 16 - *Resolutions of Corporation*

RESOLUTION OF CORPORATION

I HEREBY CERTIFY, that I am Secretary of the Board of Directors of Prestige Realty of the Capital District Corp., a corporation organized and existing under and pursuant to the laws of New York State.

I FURTHER CERTIFY, that at a regular meeting of the Board of Directors of said corporation, duly called and held at 1011 State St. Schd'y N.Y. on the 21st day of February, 1967, and at which a quorum was present and acting throughout, the following resolutions were adopted and are now in full force and effect.

RESOLVED that the MOHAWK NATIONAL BANK be and it is hereby designated as a depository of the funds of this corporation and that the said funds be subject to withdrawal upon checks, notes, drafts, bills of exchange, acceptances, undertakings or other orders for the payment of money when signed in the following manner: (State plainly names and title of authorized signers and be specific as to any combinations of signatures required.)

W. Baldwin Droms

RESOLVED that said MOHAWK NATIONAL BANK is hereby authorized to pay any such checks, drafts, notes or orders and also to receive the same for credit or in payment from the payee or any other holder without inquiry as to the circumstances of issue or the disposition of the proceeds thereof, even if drawn to the individual order of any signing officer or tendered in payment of his individual obligations.

RESOLVED that any and all endorsements for or on behalf of the Corporation upon checks, drafts, notes or instruments for deposit or collection, made with the MOHAWK NATIONAL BANK may be written or stamped endorsements of the corporation without any designation of the party making such endorsement.

RESOLVED that the foregoing resolutions shall continue and remain in full force and effect until written notice of their revocation has been duly received by the said MOHAWK NATIONAL BANK.

I FURTHER CERTIFY that these Resolutions are not inconsistent with our By-Laws, and that the following are the names and official designations of the officers of the corporation.

NAME	OFFICE
<u>Marion E. Kolakowski</u>	<u>President</u>
<u>Mary Z. Kolakowski</u>	<u>Vice President and Secretary</u>
<u>W. Baldwin Droms</u>	<u>Treasurer</u>

IN WITNESS WHEREOF, I have hereunto set my hand as Secretary of the Board of Directors of said Corporation and affixed the corporate seal this 24th day of February, 1967.

S/ Mary Z. Kolakowski
Secretary of the Board of Directors

(Seal)

I, President of Prestige Realty of the Capital District Corporation, do hereby certify that on the 24th day of February 1967, Mary Z. Kolakowski who signed and attested the foregoing resolution, was and now is the duly qualified and acting Secretary of the Board of Directors of Prestige Realty of the Capital, a corporation and that he was and duly authorized by the By-Laws to certify to the proceedings of the Board of Directors of said corporation and to affix the corporate seal to such certificate.

GOVERNMENT EXHIBIT 21 - Comparison of Expenses.

COMPARISON OF EXPENSES REFLECTED ON W. BALDWIN DROMS PERSONAL FEDERAL INCOME TAX RETURN, FORM 1040 FOR THE YEAR 1968 (GOVERNMENT EXHIBIT NUMBER 4) WITH EXPENSES REFLECTED ON W. BALDWIN DROMS SECOND FINANCIAL STATEMENT (GOVERNMENT EXHIBIT NUMBER 3)

SECTION A

Expenses Reflected on Taxpayer's Individual 1968 Tax Return
Other Than Living Expenses

Medical Insurance Premiums	\$ 300.00
Contributions	208.00
Real Estate Taxes	955.00
State and Local Gasoline Taxes	52.00
General Sales Tax	120.00
State and Local Income Taxes	208.00
Home Mortgage Interest Expense	1,300.00
Business Mileage Automobile Expense	700.00
Miscellaneous Office Costs	220.00
Clients Promotion Goodwill	450.00
Total Federal Income Tax	<u>1,271.60</u>
	<u>\$5,784.60</u>

BEST COPY AVAILABLESECTION B

Expenses Reflected on Financial Statement, Form 433 for 1968
Other Than Living Expenses

Interest Paid	\$ 740.00
Business Mileage, Automobile Expense	835.00
Total Federal Income Tax	<u>1,271.60</u>
Unknown	712.00
Unknown	200.00
	<u>\$3,758.60</u>

SECTION C

Comparison of Section A and B:
Available Living Expenses for 1968

A (1040 Expenses)	B (433 Expenses)
Income Reported on 433 : \$6,600.00	\$6,600.00
Expenses on 433:	3,758.60
Expenses on 1040 5,784.60	
Living Expenses \$ 815.40 *	<u>\$2,841.40</u>

*Droms' 1968 Form 1040 indicates 6 dependents were supported by his income.

SOURCE: Government Exhibit Number 3, Financial Statement, Form 433 submitted by the taxpayer, W. Baldwin Droms.

Government Exhibit Number 4. 1968 Individual Federal Income Tax Return, Form 1040, submitted by the taxpayer, W. Baldwin Droms.

ASSETS OF PRESTIGE REALTY OF THE CAPITOL
DISTRICT CORPORATION IN 1967 AND 1968

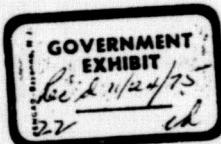
	<u>Assets as of 10/31/67*</u>	<u>Assets as of 10/31/68*</u>
Cash	\$12,740.21	\$23,581.42
Accounts Receivable	-0-	6,910.00
Fixed Assets	-0-	8,756.35
Supplies	179.74	179.74
	<u>\$12,919.95</u>	<u>\$39,427.51</u>
Commissions Payable	(\$ 6,598.84)	-0-
Other Current Liabilities	(146.95)	(\$ 9,997.04)
Other Liabilities	(186.74)	(750.00)
NET WORTH	\$5,987.42	\$28,680.47

GOVERNMENT EXHIBIT 22 - List of Assets.

91

SOURCE: Government Exhibit Number 5: Corporate Income Tax Return For Period November 1, 1966 - November 1, 1967

Government Exhibit Number 6: Corporate Income Tax Return For Period November 1, 1967 - November 1, 1968



**GOVERNMENT
EXHIBIT**

Exhibit 23

AS TO THE PAYMENTS MADE BY PRESTIGE REALTY,
THE TAXPAYER'S SCHOOL AND COUNTY RECORDS ON
RENTALS AS COMPARED WITH SCHOOL AND COUNTY
RECORDS, GOVERNMENT EXHIBITS 19 AND 20.

<u>Corporation Check Number</u>	<u>Date</u>	<u>Amount</u>	<u>DISBURSEMENT RECORDS</u>		<u>Government Exhibit</u>	<u>Date</u>	<u>Amount</u>	<u>Count Records</u>
			<u>Payer</u>	<u>Rec'd. Date</u>				
1476	9/15/67	\$ 578.50	Paul B. Van Auker, Receiver of Taxes and Assessments	19	9/21/67	\$ 578.50	(check)	
1478	9/15/67	22.25	Paul B. Van Auker, Receiver of Taxes and Assessments	19	9/21/67	22.25	(school)	
2908	9/13/68	12.25	Paul D. Shatley Collector of Taxes	19	9/16/68	22.25	(school)	
2907	9/13/68	578.50	Paul D. Shatley Collector of Taxes	19	9/16/68	578.		
1923	1/19/68	410.08	Receiver of Taxes and Assessments	20	1/24/68	410.08		
1924	1/19/68	28.84	Receiver of Taxes and Assessments	20	1/24	28.84		
4581	9/25/69	633.96	Paul D. Shatley Collector of Taxes	19	9/29/69	633.96	(check)	
3612	2/24/69	578.44	Paul D. Shatley Collector of Taxes	19	2/28/69	578.44	(check)	

\$2,844.81

SOURCES: Government Exhibits 10, 11, DISBURSEMENT RECORDS OF PRESTIGE REALTY; 19 & 20 SCHOOL OR COUNTY RECORDS

COMPARISON OF PRESTIGE REALTY DISBURSEMENTS BOOKS
 VS SCHENEACTADY SAVINGS BANK MORTGAGE LEDGER IN
 BALWIN DRILL CO. MFG. NO. 17511, 1177
 JONES PATH, SCOTT, NEW YORK, 12322, 1967

PRESTIGE REALTY DISBURSEMENTS

SCHENECTADY SAVINGS
 BANK MORTGAGE LEDGER
 NUMBER 17511

<u>Description</u>	<u>Date</u>	<u>Amount</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
			Schenectady Savings Bank	1/16/67	\$171.95
			Schenectady Savings Bank	3/6/67	171.95
			Schenectady Savings Bank	4/5/67	171.95
			Schenectady Savings Bank	4/26/67	515.85
7/1	7/1	\$171.95	Schenectady Savings Bank	7/19/67	171.95
	9/18/67	1003.65	Schenectady Savings Bank	9/19/67	1003.65
11/17/67	11/17/67	513.00	Schenectady Savings Bank	11/28/67	515.85
	11/22/67	2.35			
	12/26/67	171.95	Schenectady Savings Bank	12/28/67	171.95

Prestige Realty Disbursements Books, Government Exhibit 10

Government Exhibit 13, Schenectady Bank Mortgage Ledger of W.B. & M.D. Droms
 Number 17511

COMPARISON OF PRESTIGE REALTY DISBURSEMENTS BOOKS WITH
 SCHENECTADY SAVINGS BANK MORTGAGE LEDGER IN RE: W.
 BALDWIN DROMS. MORTGAGE NUMBER 17511. 1177 IROQUOIS
 PATH, SCOTIA, NEW YORK, 12302, FOR 1968

PRESTIGE REALTY DISBURSEMENTS BOOKS

SCHENECTADY SAVINGS
 BANK MORTGAGE LEDGER
 NUMBER 17511

<u>Corporation Check No.</u>	<u>1968 Date</u>	<u>Amount</u>	<u>Payee</u>	<u>Date</u>	<u>Amount</u>
1947	1/25/68	\$171.95	Schenectady Savings Bank	1/30/68	\$171.95
2061	2/28/68	171.95	Schenectady Savings Bank	2/29/68	171.95
2178	3/25/68	171.95	Schenectady Savings Bank	4/1/68	171.95
2311	4/26/68	171.95	Schenectady Savings Bank	4/29/68	171.95
2441	5/24/68	171.95	Schenectady Savings Bank	5/24/68	171.95
2590	6/28/68	171.95	Schenectady Savings Bank	7/16/68	171.95
2691	7/26/68	171.95	Schenectady Savings Bank	7/31/68	171.95
2876	9/6/68	171.95	Schenectady Savings Bank	9/10/68	171.95
2981	9/30/68	171.95	Schenectady Savings Bank	10/2/68	171.95
3103	10/28/68	171.95	Schenectady Savings Bank	11/6/68	171.95
3231	11/26/68	171.95	Schenectady Savings Bank	11/27/68	171.95
3391	12/27/68	171.95	Schenectady Savings Bank	12/31/68	171.95

SOURCE: Government Exhibit 18. Schenectady Savings Bank Mortgage Ledger of W.B. & M.D. Droms
 Number 17511
 Prestige Realty Disbursements Books, Government Exhibit 10

STATE OF NEW YORK DISBURSEMENTS TO
SCHENECTADY SAVINGS BANK MORTGAGE LEDGER 1
OF W.B. & W.D. DROMS. MORTGAGE NUMBER 17511. 1177
TROOP AVENUE, ALBANY, NEW YORK. FOR 1969

PRESTIGE REALTY L. EMINENT DOMAIN

SCHENECTADY SAVINGS
BANK MORTGAGE LEDGER
NUMBER 17511

Corporation Check No.	1969 Date	Amount	Payer	Date	Amount
4001	2/3/69	\$171.95	Schenectady Savings Bank	2/7/69	\$171.95
4002	2/26/69	171.95	Schenectady Savings Bank	2/28/69	171.95
4003	3/16/69	171.95	Schenectady Savings Bank	3/28/69	171.95
4004	5/6/69	171.95	Schenectady Savings Bank	5/13/69	171.95
4005	5/13/69	171.95	Schenectady Savings Bank	6/9/69	171.95
4006	-	171.95	Schenectady Savings Bank	7/3/69	171.95
4007	7/25/69	.71.95	Schenectady Savings Bank	7/30/69	171.95
4008	8/28/69	171.95	Schenectady Savings Bank	8/29/69	171.95
4009	10/2/69	171.95	Schenectady Savings Bank	10/6/69	171.95
4010	10/30/69	171.95	Schenectady Savings Bank	11/5/69	171.95
4011	11/28/69	171.95	Schenectady Savings Bank	11/2/70	171.95
4012	1/9/70	171.95	Schenectady Savings Bank	1/13/70	88.37

GOVERNMENT EXHIBIT 16 - Resolutions of Corporation

Covernment Exhibit 16 Schenectady Savings Bank Mortgage Ledger of W.B. & W.D. Droms
Number 17511
Prestige Realty Disbursed Book entries pages 10 and 11.

GOVERNMENT EXHIBIT 26 - Letter, dated 4-25-69.

April 25, 1969

Mr. W. Baldwin Broda
177 Iroquois Path
Istia, New York

Dear Mr. Broda:

I have prepared a new Offer and Compromise and a new Statement of Financial Condition for the Internal Revenue Service pursuant to the information you gave to me over the telephone and the photocopy of your W-2 Form which you forwarded to me by mail.

I have made at least three attempts to get in touch with you by telephone at your office, but have been unsuccessful.

The Internal Revenue agent who is handling this matter is very anxious to receive our new papers and is getting somewhat irritated because we have not been able to forward them for lack of your signature.

Please stop by at our office on Monday or Tuesday, April 26th or 27th and sign the necessary papers so that we can avoid any further problems with the Internal Revenue.

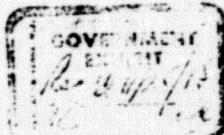
Enclosed is a bill for our retainer on your behalf.

Very truly yours,

LOMBARDI AND RETTMAN

By _____

J. J. Co



DEFENDANTS EXHIBIT E - Agreement.

THIS AGREEMENT made this first day of November, 1968 between MARION E. KOLAKOWSKI and MARY Z. KOLAKOWSKI of P. D. #1, Ballston Lake, New York, hereinafter called the Sellers and W. BALDWIN DROMS of 1177 Iroquois Path, Scotia 2, New York, hereinafter called the Buyer, witnesseth:

WHEREAS the Sellers are the holders of one hundred (100) shares of common stock in Prestige Realty of the Capitol District Corporation of which fifty (50) shares are in the name of Marion E. Kolakowski and fifty (50) shares in the name of Mary Z. Kolakowski and

WHEREAS the Sellers having heretofore received the consideration for the transfer of said shares to the Buyer desire to insure payment of certain taxes and other obligations of the corporation on which the Sellers may be or may become personally liable.

NOW, THEREFORE, it is mutually agreed as follows:

1. The Sellers do hereby assign and transfer to the Buyer all of their right, title and interest in and to the said one hundred (100) shares of capital stock.

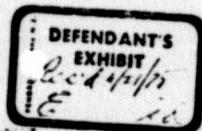
2. All income tax and withholding taxes shall be paid by the corporation to the close of the fiscal year ending October 31, 1968 as soon as the same can conveniently be done.

3. All claims against the corporation which accrued prior to March 1, 1967 and for which the corporation is presently liable shall be paid by the Sellers.

4. All taxes and claims against the corporation which have accrued or may be claimed to have accrued since March 1, 1967 shall be paid by the corporation, especially any taxes and/or claims involving the operations of the corporation for which Marion E. Kolakowski or Mary Z. Kolakowski may be personally liable.

5. To guarantee payment by the corporation of any claims specified in the preceding paragraph the corporation shall deposit with Anthony DiSorbo of 1713 Broadway, Schenectady, New York, the sum of Seven Thousand Dollars (\$7,000.00) in escrow to be held by him until December 31, 1971 for the following purposes:

- a. To pay any claims against the corporation specified in paragraph 3 above in the event the corporation fails to pay the same.



DEFENDANT'S EXHIBIT E - Agreement.

- b. To keep invested in a Savings Account in the Mohawk National Bank, Schenectady, New York, until December 31, 1971 when the balance of said account and all accumulations thereon shall be returned to the corporation.
- c. Annually to give an accounting to the Buyer of said escrow fund and if required by him, exhibit evidence to the Buyer of the balance in said account.
- d. To perform such services without charge unless the escrow agent is called upon to pay a claim or claims against the corporation.
- e. The duties of such escrow agent shall apply to and bind his personal representatives and assigns.

6. The Sellers agree to resign their positions as directors and officers of the corporation on or before December 15, 1968.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals the day and year first above written.

Marion E. Kolakowski L.S.
Marion E. Kolakowski

Mary Z. Kolakowski L.S.
Mary Z. Kolakowski

W. Baldwin Drons L.S.
W. Baldwin Drons

STATE OF NEW YORK :
ss

COUNTY OF SARATOGA :

On this 16 day of November, 1968, before me, personally came MARION E. KOLAKOWSKI, MARY Z. KOLAKOWSKI and W. BALDWIN DRONS to me personally known and known to me to be the same persons described in and who executed the within instrument and they duly acknowledged to me that they executed the same.

Notary Public

The undersigned does hereby acknowledge receipt of the sum of Seven Thousand Dollars (\$7,000.00) from Prestige Realty of the Capitol District Corporation to be held by him in escrow for the faithful performance of the obligations of the corporation specified in the above agreement. 11/16/72

Dated:

Anthony DiSorbo

CLERK OF DISTRICT COURT MINUTES.

Albany, N.Y., November 26, 1975
Hon. James T. Foley, Presiding
Clerk: Horan
Steno: McGloine

9:45 A.M. Court meets

Trial Continued

United States of America
vs
W. Baldwin Droms

75-CR-47

✓ Mr. DeLorenzo sums up for the Deft
Mr. O'Sullivan sums up for the Pltf

Short recess

11:45 A.M. Judge Foley charges the jury

12:25 P.M. The jury retires in charge of two sworn officers to consider their verdict

2:15 P.M. The jury comes in to court and says they find the defendant Guilty. Jury is polled. Unanimous verdict.

2:25 P.M. The jury is excused until Tuesday, December 2, at 9:30 A.M.

Mr. DeLorenzo moves to set aside the verdict. Denied
Mr. DeLorenzo moves for judgment of acquittal. Denied
Mr. O'Sullivan moves for sentencing.
Presentence investigation ordered. Sentence deferred without date.
Defendant is released on own recognizance

Court stands in recess until Monday, December 1, at 10:00 A.M.

Affidavit of Service

Records and Briefs
For State and Federal Courts
Established 1881

313 Montgomery Street
Syracuse, New York 13202
(315) 422-4805

Russell D. Hay/President
Everett J. Rea/General Manager

Spaulding Law Printing

December 20, 1976

Re: United States of America vs. W. Baldwin Droms

State of New York)
County of Onondaga) ss.:
City of Syracuse)

EVERETT J. REA,

Being duly sworn, deposes and says: That he is associated with Spaulding Law
Printing Co. of Syracuse, New York, and is over twenty-one years of age.

That at the request of **Paul V. French, U.S. Attorney for Northern District of New York,**

Attorney(**X** for Appellee,

X He personally served three (**2**) copies of the printed Record Brief **X** Appendix
of the above entitled case addressed to:

THOMAS E. DEL LORENZO, ESQ.
Parisi, DeLorenzo, Gordon and Pasquariello, P.C.
Attorneys at Law
201 Nott Terrace
Schenectady, New York 12307

X By depositing true copies of the same securely wrapped in a postpaid wrapper in a
Post Office maintained by the United States Government in the City of Syracuse, New York, on

By hand delivery

December 20, 1976.

Everett J. Rea
EVERETT J. REA

Sworn to before me this 20th day of December, 1976.

Domenic C. Giurra
Notary Public
Commissioner of Deeds

cc: Paul V. French, Esq.